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President: Mr. PIRIZ-BALLON (Uruguay)

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The meeting was called to order at 3.10 p.m.

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1990 AND PROGRAMME-LEVEL ACTIVITIES (continued) (DP/1991/10 and Add.1-4, DP/1991/11-15, 57, 68 and 77)

1. Mr. WYSS (World Bank) said that the World Bank Group fully supported the concept of national execution because it believed that national capacity could not be built without the active and direct participation of the recipient countries. Although some outside assistance might still be required, such assistance could not displace the responsibility of Governments. On the subject of agency support costs, the Group had from the outset sought an understanding that would strike a balance between its strategic relations with UNDP as a global development agency and the principle of cost recovery of project execution. That understanding was properly reflected in document DP/1991/25.

2. It was natural that two multisectoral agencies such as the World Bank and UNDP should cooperate on a wide spectrum of development topics. In the area of the environment in particular, such cooperation had recently taken a giant step. The joint agreement between UNDP, UNEP and the World Bank to establish a Global Environment Facility (GEF) called for an extremely close working relationship between the three partners. One interesting feature of the Facility was the key role played by UNDP resident representatives in communicating to Governments the nature of the GEF and the opportunities it presented for their participation.

3. A recent study by the Nordic countries had referred to a "migration of functions" from United Nations agencies to the multilateral financial institutions. The World Bank, however, had no desire to be the repository of such functions and considered it essential that the entire United Nations system should maintain its functional balance and financial health. A weak international system was in the interests neither of the Bank nor, more importantly, of the developing countries. While entrusted with separate mandates and responsibilities, the different agencies interacted with each other in many ways. With regard to the reduction of poverty, which required collective efforts on the part of all agencies, the World Bank would soon be inviting the other agencies to review, comment on and contribute to a Handbook on Poverty which was currently under preparation.

4. The past fiscal year had seen a substantial increase in the volume of technical assistance provided by the Bank. The largest component of that assistance was financed by loans and credits and, taken together with assistance funded by the Bank's administrative budget or by trust funds, including UNDP, amounted to some $2 billion over the last year. Technical assistance represented almost 9 per cent of the Group's overall lending activities. The increase in technical assistance in recent years was due to the expansion and diversification of the Bank's portfolio, the intensification of institutional development and capacity-building efforts and the increasing

(Mr. Wyss, World Bank)

complexity of investment operations. The introduction in the early 1980s of policy-based lending and the adoption of market reforms had further intensified the demand for transfers of management and technical expertise.

5. There was, nevertheless, growing unease about the development impact of technical assistance, particularly in sub-Saharan Africa, as well as about its effectiveness. As more countries embarked upon market economies, consideration needed to be given as to whether such ineffectiveness might be due to existing market imperfections. In the Bank's view, one imperfection lay in the fact that the countries most in need of technical assistance were least able rigorously to define their requirements. Another lay in the high cost of imputs because of either donor preferences or limitations on the choice of alternative services or markets. In recognition of those concerns, the President of the World Bank had recently appointed a high-level task force to assess technical assistance needs and trends in member countries, which expected to complete its findings and recommendations by the end of July 1991. High-level consultations between UNDP and the Bank should take place before the report was finalized.

6. While the relationship between the volume of lending and the level of technical assistance fluctuated, the Bank expected to see a long-term decline in technical assistance as a proportion of its lending because of the inevitable growth of national capacity among many borrowers. Meanwhile, technical assistance in the 1990s would be governed by the diminishing role of State interference in the economy, with modes of delivery shifting away from consultants, operational support, studies and equipment towards the purchase, sale and exchange of technology under conditions dictated by market forces. The task ahead for newly industrialized countries would be to develop institutions that fostered the absorption, adaptation and dissemination of technology, while the greatest challenge for low-income countries would be to improve management of the public sector. At the same time, the increasing globalization of the economy would necessitate new forms of technical assistance and new modalities of delivery. The World Bank hoped to make at least a modest contribution to that effort, in cooperation with UNDP and all its partners in the United Nations system.

7. Mr. YENEL (Observer for Turkey) said that the Administrator's introduction of the annual report clearly answered the complaints of those who said that UNDP had no strategy for development. His country believed that UNDP had considerably refined the concept of technical cooperation during its 40 years of existence, so that people were now deliberately placed at the centre of development issues. UNDP had adjusted and responded to new demands and challenges in a rapidly changing world.

8. The Human Development Report 1991 contained a wealth of useful information, and the human development index, given the methodological difficulties involved, represented a courageous effort. However, as the report itself pointed out, compilation of the index was a precarious

(Mr. Yenel, Observer, Turkey)

exercise. Any chart or index published by the United Nations should be objective, up to date, reliable and free of controversy. Unfortunately, the index had failed to meet that test, as had been noted by the representatives of Morocco, Peru and Uruguay. His delegation endorsed their comments and looked forward to the prompt issuance of an updated index to reflect current realities.

9. The decisions recently adopted by the High-level Committee on the Review of Technical Co-operation among Developing Countries should be implemented rapidly. Although there was a tendency in donor circles to underestimate and dismiss TCDC, it would in fact enhance environmental issues, NGO participation, the private sector, the role of women in development and other activities that promoted a more integrated approach. Human resources management would also benefit from the exchange of ideas and experiences between developing countries. His own country, which had in the past decade shifted its emphasis from the public to the private sector, supported UNDP's assistance in the development of entrepreneurship and agreed that national capacity must be built in all sectors.

10. In conclusion, his Government commended UNDP for its valuable efforts to alleviate the plight of displaced persons and refugees in the Gulf region and elsewhere: close cooperation between his country and UNDP in that regard had proved to be very productive.

11. Mr. INSULZA (Observer for Chile) said that UNDP had played an important role in a period critical for the consolidation of his country's democracy, particularly through programmes designed to improve public administration. The major political changes which had taken place throughout the world in recent years, together with scientific and technological progress, made the eradication of poverty and universal development ever more accessible. Such opportunities would, however, be lost unless people were placed at the centre of development issues and the enormous and destabilizing inequalities between different States and regions were overcome. International technical cooperation was an essential aspect of progress in that direction. It should not replace national capacities but help to create and strengthen them. In that connection, his delegation shared the Administrator's view that the objectives and priorities of recipient countries were the only basis for cooperation. His Government had established its own international cooperation agency to establish priorities, design programmes and adapt them to the country's development needs. Meanwhile, United Nations agencies and resident representatives should see their role as being one of cooperating with national authorities, rather than trying to take their place in setting priorities and designing programmes.

12. The previous remarks did not mean that UNDP should not establish general guidelines. The programme being drawn up by his Government was very much in line with the Administrator's proposed objectives for the fifth programming cycle. Emphasis was laid on the eradication of poverty and the achievement of

(Mr. Insulza, Observer, Chile)

greater social justice: a fund for solidarity and social investment promoted popular participation in projects which generated new opportunities and sources of employment, according special importance to the incorporation of women into productive activity. It was essential to ensure the effective transfer and adaptation of technology if countries such as his were not to become further dependent on exports of raw materials but instead were to increase and diversify exports with greater added value. While the main effort to increase scientific and technological capabilities must be made by countries themselves, transfers were necessary in order to ensure that national development objectives were properly supported. The main objectives must of course be combined with a concept of sustainable development and improvement in the quality of life. In that connection, his delegation believed that UNDP's efforts to strengthen its role in addressing urgent environmental issues, including the ozone layer and water treatment, should be encouraged.

13. His Government was participating enthusiastically in UNDP's TCDC programmes and hoped to increase its participation during the next cycle. In doing so, it believed that such cooperation should not be confined to a one-way relationship between the developed and the developing countries, but that the latter should also make substantial contributions to the programmes concerned. His delegation was also pleased to note the Administrator's emphasis on management as a key element for the success of cooperation efforts and the related need to differentiate between cooperation and assistance.

14. UNDP had made a positive effort, in its two Human Development Reports, to identify the qualitative aspects of development. While appreciating the intention of the reports, his delegation shared the concerns of other delegations as to the use which might be made of their indices in establishing of priorities and assigning programme resources. Some countries had made greater efforts than others to invest in the creation of infrastructure and the adoption of social reforms, and it was wrong that they should then see their access to UNDP activities limited. Neither did it seem right to use bodies outside the United Nations system to conduct studies measuring human development, when the United Nations itself was competent to carry out an analysis which would undoubtedly contribute to a better coordination and exchange of multidisciplinary information on human development between the specialized agencies. In that connection, his delegation believed that the United Nations system's institutional resources would be utilized more fully if they were designed to strengthen already existing regional mechanisms.

15. The inclusion of a human freedom index was an interesting innovation, but basing the index on data from 1985 meant that radical changes in many countries over the past few years had been ignored. In the case of his country, the changes had been so great that the index gave a totally inaccurate picture of the current situation with respect to human freedom. While not denying the importance of studies on that subject, his delegation insisted that they should be conducted and used with extreme care.

(Mr. Insulza, Observer, Chile)

16. The 1980s, while creating a legacy of poverty and social tension in Latin America and the Caribbean, had also produced more democratically elected Governments in that region than at any other point in its history. Like the Administrator, his delegation believed that one of the principal development tasks of the 1990s was to facilitate the transition to democracy. It therefore drew attention to the "Commitment to Democracy" adopted at the most recent meeting of the Organization of American States. The success of that commitment depended, in turn, on a substantial reduction in the social tensions which generated poverty, injustice and the absence of freedom. A priority task of that nature required a greater contribution from the international community, and particularly from UNDP, yet the support provided by the Programme to Latin America had declined in real terms over the past 20 years. It was therefore essential that UNDP re-evaluate the current level of the resources which it assigned to Latin America.

17. Mr. GATHUNGU (Kenya), speaking on behalf of the African countries members of the Council, said that 1990 had seen, in turn, the end of the cold war, the adoption of important decisions concerning international economic cooperation and development, the devastation caused by the Gulf crisis and the celebration of the fortieth anniversary of UNDP. The important reaffirmation and clarification of the Programme's mandate, as embodied in Governing Council decision 90/34, should give it the direction and strength it needed to deal with international social and economic problems over the next five years, but it must be provided with sufficient resources and political support if it was to discharge its responsibilities in full.

18. Noting the five principal development challenges specified in the Administrator's report, his delegation wished to emphasize that the major development challenge facing the international community was the revitalization of economic growth and development in the developing countries, in accordance with the International Development Strategy for the Fourth United Nations Development Decade. The role and activities entrusted to UNDP under that Strategy were clearly defined in Council decision 90/34 and should be vigorously pursued. The objective of self-reliance in technical cooperation deserved support and should be based on the provisions of General Assembly resolution 44/211.

19. Technical cooperation and capital assistance for development played complementary roles in increasing productivity in developing countries. The requirements for capital in national capacity-building, particularly in Africa, extended to the building of basic infrastructure in all areas. It was on that basis that he urged UNDP to put every effort into the implementation of the Second Industrial Development Decade for Africa and the Second Transport and Communications Decade in Africa and was concerned at the forecast in the report that, for the next several years, developing countries were likely to find it more difficult to attract capital.

(Mr. Gathungu, Kenya)

20. On the question of human development, the African countries strongly questioned the competence and mandate of UNDP to deal with such a complex and sensitive issue as human rights, which in any case was being dealt with well by other organs of the United Nations and by countries themselves. It was difficult to understand exactly how useful the so-called Human Development Index would be for UNDP in implementing human development programmes and projects in developing countries.

21. There was an urgent need to increase UNDP's resources in line with its growing activities in such fields as the environment, AIDS, human rights, emergencies and disasters. Regarding programme expenditures by source of funds, region and sector, a summary statement would have been helpful. It was nevertheless clear that greater efforts were needed to significantly raise the proportion per dollar spent in recipient countries.

22. UNDP's involvement in environmental emergency and AIDS activities should be conducted from a development support perspective and UNDP should avoid duplicating or taking over activities that came under the mandate of other organs. Special attention should be given to projects in Africa in disbursing funds administered by UNDP, and the United Nations Sudano-Sahelian office (UNSO) and the UNDP Intergovernmental Authority on Drought and Development (IGADD) should be strengthened, specifically in the areas of drought monitoring and environmental education and sensitization.

23. While the international community had responded to the harsh economic situation facing African countries, much more needed to be done in real terms. Regional cooperation should be supported, and specific actions must be taken to support the Second Industrial Development Decade for Africa and the Second Transport and Communications Decade in Africa. The population programmes undertaken by African countries must receive full support and resources.

24. Africa needed special consideration in the cancellation of all its debts and in stopping all outflows of capital. In the 1990s, the international community must move from merely formulating, debating and adopting action plans for Africa to taking every possible action on the ground.

25. Over the past six months, the neighbouring countries of the Horn of Africa had undergone serious political upheavals. The civil conflicts in Ethiopia and Somalia were likely to result in widespread famine, and the region was on the brink of an unprecedented disaster. The situation had led already to a massive influx of thousands of refugees into Kenya and Djibouti. The plight of the millions of people, mainly women and children, who had fled their countries called for urgent and adequate assistance. In Kenya, the influx of refugees was creating a desperate situation for which national resources were inadequate. Kenya's economy, which was undergoing a rigorous structural adjustment process, was also struggling to recover from the losses brought about by the recent Gulf war.

26. Mr. POPESCU (Romania) said that privatization was a top priority in his country. In the past year, more than 121,000 private economic units had been registered. Under a bill on the reorganization of all former State enterprises, most such enterprises had been transformed into private companies. In addition, about 70 per cent of agricultural land had become privately owned.

27. His Government had recently organized, with the assistance of the United Nations Centre on Transnational Corporations (UNCTC), a workshop at Bucharest on foreign investment and privatization. Romania was counting on UNDP support for the UNCTC programme of assistance, which would consist of several training workshops and consultants to assist in negotiations with foreign investors. His Government was also looking forward to a decision by UNDP on a project to assist it in evaluating the assets of State enterprises in order to speed up the distribution of their shares to the population.

28. Regarding the costs of the Gulf crisis, Romania was among those countries whose economy had been severely affected by the application of Security Council resolution 661 (1990). Its direct losses amounted to $3 billion, or 14 per cent of its GNP, most of them in foreign trade. Romania ranked third after Jordan and Turkey in terms of trade losses as a result of the Gulf crisis. It hoped that quick action would be taken to respond to the Government's request for inclusion on the list of countries receiving assistance in connection with that resolution.

29. UNDP should explore the possibilities of mobilizing additional external resources to help Eastern European countries make the transition from centrally planned to market economies.

30. Because of lack of data and the use of old data, the Human Development Report 1991 reached some conclusions which did not reflect reality. Romania was classified as an industrialized country, in the same category as Japan, the United States of America and Germany, and the level of its per capita GNP was almost doubled. The human freedom index used six-year-old data, which diminished its value. In order to draw the correct conclusions, Governments should be consulted by the team of authors.

31. Mr. FEHMI (Pakistan) said the Human Development Report 1991 challenged the standard premise that a quantified increase in GNP was the only yardstick for measuring progress. The basic thrust of the report was valid, but some of its conclusions were unacceptable. Pakistan found it difficult to agree with the rather sweeping assertion that the main obstacle to human development was lack of political commitment on the part of developing countries. A greater commitment by the international community was needed to increase the level of assistance for human resources development and to redress the inequities of the present system of international economic relations. The crushing burden of debt servicing was an insurmountable obstacle to the channelling of resources towards human development.

(Mr. Fehmi, Pakistan)

32. UNDP should avoid developing concepts and criteria which might cast doubts on its impartiality. It must also avoid giving rise to controversies of the kind generated by the attempt in the report to pass judgement on countries' commitment to human freedom on the basis of highly questionable criteria. There was no agreement on the criteria mentioned in the report which would warrant the quantification of a country's commitment to human freedom.

33. In Pakistan, UNDP had played a commendable role in promoting economic development, taking particular care to formulate its activities to reflect Pakistan's sectoral priorities. Even bilateral donors had viewed Pakistan's programming system as an effective vehicle for channelling their assistance. UNDP's emphasis on the development of indigenous institutions was in line with Pakistan's economic policy. For several years, however, UNDP had been providing only short-term training, which was at odds with the country's increasing requirements in the industrial and technical fields. His delegation therefore stressed the need for a comprehensive long-term training programme.

34. The environment had become a major national, regional and global preoccupation. His delegation welcomed the establishment of the Global Environment Facility and noted with appreciation UNDP's valuable contribution to the upcoming United Nations Conference on Environment and Development. Pakistan too had taken many necessary steps to tackle the environmental issue, despite severe financial limitations, and environmental considerations were now being included in the development planning process.

35. It was unfortunate that the issue of refugees had lost some of its priority in the United Nations system. Pakistan had been maintaining the single largest case-load of refugees for the past decade, and had suffered enormous environmental damage in areas inhabited by Afghan refugees. Following a UNDP mission to assess the extent that damage, a $US 105 million five-year recovery programme had been proposed.

36. UNDP special programme resources had been substantially increased for the fifth cycle, but his delegation had observed that some recipient countries, including Pakistan, had been unable to make use of such resources during the fourth cycle, for lack of information; it therefore suggested that during the fifth cycle UNDP should expand the coverage of special programme resources to the majority of recipient countries.

37. His delegation supported UNDP's activities in the area of women in development. However, in Pakistan no substantial assistance had so far been provided for women. His Government was deeply committed to the well-being of women and other deprived groups in society and would therefore welcome new projects pertaining to women in development in Pakistan.

(Mr. Fehmi, Pakistan)

38. His Government had initiated a comprehensive programme of economic reform involving privatization, deregulation and unleashing the potential of the private sector, while encouraging the development of human resources and physical infrastructure and environmental protection. Specific incentives had been offered for industrial investment in rural locations. In line with that policy, his Government had announced exchange and payments reforms designed to eliminate counter-productive regulation, thereby creating an attractive environment for entrepreneurs.

39. In view of the importance of technical cooperation in the multilateral framework of UNDP, it was imperative to increase the Programme's resources. The increase in core resources for 1991 was expected to fall short of the 8 per cent target set by the Governing Council. Pakistan, despite its resource constraints, was among the top 10 developing countries that had pledged more than $1 million to UNDP. It was incumbent on all countries, particularly rich countries, to contribute to UNDP, which should not be allowed to stagnate or decline during the 1990s.

40. Mr. RAZALI (Malaysia) said that UNDP would be expected to continue to make positive contributions to alleviating underdevelopment and eliminating widespread poverty in many parts of the developing world. The ultimate goal of all development efforts was the well-being of people, and human development was the sine qua non for sustained and equitable growth. His delegation shared the concerns expressed by a number of delegations from developing countries, and by the Chairman of the Group of 77, about the content of the Human Development Report 1991. There was a need to make it clear that the report was not an attempt to redefine development criteria or introduce new conditionalities, and that UNDP remained committed to the 1970 consensus.

41. In preparing and publishing the 1991 report, UNDP had not held direct consultations with the Governments and regions concerned and had failed to adhere to Governing Council decision 90/13. The report also did not adequately address the concerns of developing countries with respect to access to new markets in developed countries, capital inflows, access to productive technology, debt burdens and artificially depressed commodity prices. Instead, there was an unbalanced attempt to put the blame squarely on developing countries for their lack of progress in economic development.

42. His delegation's most serious concern with the 1991 report, however, was the inclusion of the so-called human freedom index, which had been ill considered and would cast UNDP in a questionable light in the eyes of developing countries and possibly create an unnecessary polarization between the latter and the developed countries with respect to UNDP's future usefulness. The incorporation of the so-called human freedom index had tarnished the whole report. The business of UNDP was development, not some messianic foray into areas in which it had neither responsibility nor expertise. It seemed to be the fashion for United Nations agencies to emphasize human rights and the environment, as if all other long-standing

(Mr. Razali, Malaysia)

issues had been resolved. UNDP was not a vehicle for Western societal mores and values and should understand that its programmes could operate under optimum conditions only if developing countries were certain of its non-partisanship. Far from being a catalyst for constructive debate, as was apparently intended, the human freedom index had served the opposite purpose of creating dissension and controversy.

43. Malaysia and other developing countries were committed to human rights and human freedom and did not need to be reminded of them, yet UNDP had seen fit to publish a report that placed Malaysia below, for example, Israel, a country that brutally suppressed the legitimate and inalienable rights of the Palestinians. UNDP should be non-partisan and impartial, and must not become an apologist for one-sided Western values, insulting in the process the traditions and values of others, particularly Muslim countries. If the UNDP management was so preoccupied with human freedom, his delegation demanded that UNDP consider the right of every human being to food, shelter, employment, education, health and freedom from disease, all of which were not just the responsibility of national Governments but of the whole community of nations. If UNDP could not produce a more balanced index of human freedom, without bias or prejudice, it was not worth having one at all.

44. His delegation had noted with appreciation the report on the progress of the various components of UNDP's funding strategy. With respect to funding, there was a lot more to be done in the 1990s and a huge amount of resources would be required; all Governments, particularly donor Governments, should increase their voluntary contributions to UNDP.

45. The proposal for greater use of national expertise and consultancies, as well as increased inter-country training and fellowship programmes, would not only be cost-effective but would also enable local experts and consultants to gain international experience. Malaysia wished to depend increasingly on national experts and consultants for UNDP technical assistance projects. UNDP should further strengthen its efforts to assist national capacity-building.

46. Malaysia agreed that the number of projects financed through UNDP technical assistance should be reduced and, more importantly, that administrative costs should be cut, making more funds available for UNDP to undertake programmes. Malaysia continued to value the all too modest amount of its IPF from UNDP in formulating its national policies, strategies and programmes for the future. During the fifth country programme, its emphasis would be on human resources development, science and technology, information technology and environmental development. Malaysia would continue to provide a substantial programme cost-sharing contribution during the fifth programming cycle.

47. UNDP's real resource situation had remained unchanged over the past 16 years, while there had been a marked increase in the number of UNDP personnel. The attempt at reorganizing UNDP's senior management deserved

(Mr. Razali, Malaysia)

serious study, and his delegation welcomed the proposal to reduce senior management positions, thereby reducing operating costs and enhancing UNDP's effectiveness. A longer and more comprehensive study of UNDP's organizational structure should be undertaken, with a view to cutting operating costs and raising efficiency while achieving a greater balance in the representation of donor and recipient countries and ensuring a wider geographical spread in UNDP's senior management structure. Despite the multinational character of UNDP, regional representation at all senior levels was woefully unbalanced: only 4 out of 42 resident representatives in Africa, and only 3 out of 24 in Asia, were from the region in question. His delegation urged the Administrator to correct that anomaly.

48. Some developing countries were emerging as so-called middle-income countries and now required programmes and projects in such areas as science and technology, industrial development, manufacturing, information on technology, trade and investment, and communications. UNDP should prepare itself to provide assistance in those areas.

49. Budget reductions were planned for UNDP headquarters, with Professional project posts being reduced from 48 in 1990 to 24 by 1992. The trend towards budget reductions should not be limited to headquarters alone, but must also include field offices, although without undermining the strength of UNDP field offices.

50. Malaysia set great store by regional and interregional projects, which were effective means of providing assistance to countries through the exchange of experience, information and technology for mutual benefit. UNDP should continue its efforts to build and support such projects. However, over-diversification of project areas had led to a lack of coordination. Malaysia supported national execution as the preferred mode of project execution during the fifth programming cycle; Government execution created greater commitment, ensuring institution-building and promoting self-reliance. Since the transition to national execution necessitated the strengthening of UNDP field offices, the proposal to undertake training there, as well as at headquarters, was most welcome. Such training should also be extended to government executing agencies. United Nations agencies could play a role in assisting project execution, but decision-making on such matters was best left to Governments, who were in a better position to assess their capacity to undertake project execution.

51. To sum up, in addition to its own country programme, Malaysia welcomed UNDP involvement in many issues of global concern: women in development, environment, and the roles of the private sector and NGOs in development. However, care should be taken not to duplicate the activities of other United Nations agencies, so that the limited resources of the United Nations system could be optimized for the benefit of recipient countries. Malaysia continued to support technical co-operation among developing countries but regretted that its development over the years had fallen short of expectations. The

(Mr. Razali, Malaysia)

sustainability of TCDC activities was becoming very critical, and his delegation urged UNDP to increase the funding allocated to them.

52. Mr. TALADRID (Cuba) said that according to the report on senior management structure (DP/1991/50), the Jackson Report and General Assembly resolution 2688 (XXV) had given UNDP a leadership role that had declined over time, for reasons related to the reduction in its resources. The report likewise asserted that UNDP resources would increase considerably if the structure and direction of technical assistance were changed. That was by no means the first time that such an assertion had been made. On many occasions in the past, the Council had expressed concern at the alarming decline in the rate of growth of programme resources. In 1985, it had been forced to reduce the target for the annual growth of resources from 14 to 8 per cent. The 8 per cent target had never been reached, not because of inadequate administrative structures but because some of the principal donors lacked the political will to increase their contributions. The report's proposals for ensuring the Programme's future financial health were therefore unrealistic.

53. The only guarantee that UNDP would retain its neutrality and universality lay in preserving and strengthening the Governing Council, with the active and democratic participation of all countries: donor and recipient, developed and developing. For all those reasons, his delegation categorically rejected the unfortunate proposal, in section 3.8 of the report, for a smaller "executive" Governing Council. Indeed, none of the proposals in the report was in keeping with General Assembly resolution 45/177 on the restructuring and revitalization of the United Nations in the economic and social fields. No more such reports were needed. Instead, what recipient countries needed was for donor countries to find the political will to reach the target of 8 per cent annual growth. They needed more financial resources for development, not more bureaucratic expenditures on reports or on the creation of new posts and divisions that did not provide one iota of technical assistance. The Governing Council and the UNDP secretariat should be prepared to implement resolution 45/177 in the near future.

54. With respect to the Human Development Report 1991, his delegation welcomed the fact that its authors had recognized that human beings must be at the centre of development issues. However, it had some concerns about the report itself. Exercises of that magnitude required the active participation of all Governments and their experts, so as to ensure that the results were truly transparent and had everyone's support. According to Governing Council decision 90/13, regional consultations should have been held so that the human development concerns and priorities of developing countries could be taken into account. No such consultations had been held, at least for Latin America and the Carribbean. Instead, a seminar on human development had been held at Rio de Janeiro in December 1990, attended by experts in their personal capacities. That was not a meeting of Governments. It had been a mere formality anyway, since the Human Development Report had already gone to press by that time. The absence of any Latin American among the drafters of the report had been a further omission.

(Mr. Taladrid, Cuba)

55. The so-called "refinement" of the human development index should also have been discussed with government experts and specialized bodies. Cuba had dropped from thirty-eighth place in the 1990 report to sixty-second place in 1991, seemingly as a result of the arbitrary manipulation of statistics. Such innaccuracies showed that Governments should have been contacted directly so that more reliable data could have been obtained.

56. The report even ventured to put forward certain ideas about the future distribution of financial resources for cooperation that were tantamount to new conditionalities and would violate the 1970 consensus and the universality and neutrality of the Programme. His delegation found those ideas unacceptable.

57. In proposing the so-called human freedom index, the report had exceeded the mandate and capacities of its authors. Not even the Human Rights Committee had made such a proposal. The cobbler should stick to his last. His delegation could debate the issue at length, but then it would only be imitating the report by converting UNDP into something it was not.

58. In Cuba, women enjoyed full equality, which was guaranteed not only by law but also by political, economic and social realities. There was no activity in the life of the nation from which women were absent. Accordingly, his delegation was following closely the work being done by the Division for Women in Development and UNIFEM, to both of which it offered its full support. His Government was also prepared to cooperate actively in UNDP's efforts to combat HIV/AIDS.

59. In conclusion, his delegation believed that the Council should return to its practice of holding a four-week session; a three-week session was proving inadequate. It also believed that it would be violating the Council's mandate to refer issues within the Council's jurisdiction to the Standing Committee on Programme Matters.

60. Mr. BRANCO (Sao Tome and Principe) said that the annual report of the Administrator (DP/1991/10 and Add.1-4) was very useful and should serve as an important tool for countries that had to set priorities for the utilization of scarce resources. He urged UNDP to continue to take account of the views expressed by the Governing Council, and recommended the report to other United Nations agencies, Governments and non-governmental organizations for consideration. In particular, his delegation expressed its support for the Administrator's proposals concerning the management structure. The annual report provided a clear picture of the Programme and demonstrated its leading role within the United Nations system.

61. The report on the Management Development Programme (DP/'991/12) confirmed the need for good public sector management capacities in developing countries in order to overcome the problems impeding their development efforts. His country and Africa in general had demonstrated the political will to carry out

(Mr. Branco, Sao Tome and Principe)

very important economic adjustment policies and social and economic reforms. In a great number of cases, however, any hope of full recovery seemed far away. While political will was a necessary pre-condition, other factors must be taken into consideration, such as the lack of management development capacities and a human resource base characterized by a low level of basic education, poor health and poverty. Until those problems were overcome, African nations could not be said to have had true freedom of choice, which was a basic requirement for individual self-development and a measure of a country's ability to determine its destiny.

62. Most African countries had recognized the need to correct imbalances in their economies, and it seemed that the only viable way to do so was through the World Bank and the International Monetary Fund. His delegation appreciated the valuable contribution which UNDP and UNICEF had made in providing African countries with the necessary assistance to engage in a true dialogue with those institutions. It hoped that the Human Development Report and UNICEF's advocacy of adjustment with a human face would facilitate that task.

63. For those reasons, his delegation hoped that UNDP would participate in the preparation of country strategies for human development and increase the resources allocated to the Management Development Programme. In view of the lack of institutional and management capabilities in developing countries, his delegation advocated a cautious approach to national execution, based on a gradual process taking into account the specificity of each country.

64. Mr. BAHADIAN (Brazil) said that technical cooperation had been an important instrument in bringing about the much-needed turnaround in the economies of developing countries, in strengthening capacities and in promoting the cause of peace. The principles of universality, neutrality, non-conditionality and multilateralism were fundamental for genuine cooperation through the United Nations. Such principles must not be eroded and no advantage could be derived from attempts to rate countries' performance or exonerate donor countries from their responsibilities. UNDP support to developing countries through technical cooperation activities was an integral part of efforts to revitalize economic growth and social development in the developing countries. Technical cooperation activities must be geared towards better social standards, increased economic efficiency, unimpeded trade and the building of a scientific and technological capability. Development must be socially regulated, and material prosperity must not jeopardize social justice. Progress could not exist without the enhancement of human dignity.

65. His Government had reaffirmed its commitment to the modernization of the State and the promotion of social and economic development. The private sector was the force behind efforts to modernize the economy. Brazil was committed to meeting basic human needs in such areas as education, health, housing, sanitation and water supply. Nevertheless, the Government's efforts could succeed only if there was a corresponding willingness on the part of the

(Mr. Bahadian, Brazil)

international community to correct the profound distortions of the world economy, which had resulted in a net transfer of resources from developing to developed countries, protectionist policies and restricted access to technology and additional financial resources.

66. It was regrettable that the Human Development Report 1991 was based on data that, in some cases, did not take sufficient account of the social and political transformations occurring in the developing countries. Furthermore, different types of indicators were used to assess the performance of developing and developed countries. The practice of listing countries according to a human development index might lead to methodological controversies and superfluous comparisons and transform the positive idea of human development into a set of conditionalities. In the specific case of Brazil, the report did not take into account his Government's strenuous efforts to reverse social inequities.

67. Despite the financial difficulties resulting from the servicing of its external debt, his Government had created a social development fund to mobilize additional resources for projects in the social field. The measures taken by the Government showed that the promotion of human development was inextricably linked to its strategy for an effective redistribution of income that included integrated actions as well as the reactivation of economic development.

68. The great potential of the private sector was demonstrated in his country's current country programme. There were a number of ongoing projects linked to the private sector, with resources amounting to $1.8 million from the IPF and $500,000 as cost-sharing. That kind of innovative cooperation, the promotion of joint ventures and the formulation of strategic programmes to increase industrial decentralization to rural areas would be priorities for UNDP action during the next cycle.

69. Multilateral technical cooperation was vital to development efforts. His Government's priorities for international cooperation had always emphasized the objectives of the national development plan, institution-building and effective participation of national counterpart institutions in technical cooperation projects. Brazil placed the same emphasis on the priorities established by recipient Governments within the framework of TCDC programmes and projects.

70. The current UNDP programme in Brazil had been continuously adapted to reflect the growing importance which his Government attached to environmental issues. There were 37 ongoing projects related to the environmental sector and that trend would increase in the fifth cycle. There were 72 nationally executed projects in the country programme. The specialized agencies continued to play an important professional and technical role, which was moving away from technical and administrative support towards more substantial involvement in the technical aspects of activities themselves. His Government

(Mr. Bahadian, Brazil)

was making a great effort to mobilize additional resources in the current cycle to offset the reduction in its IPF. The total amount of cost-sharing had almost doubled between 1987 and 1991, reaching the level of $53.5 million. That increased cost-sharing reflected the interest of Brazilian institutions in UNDP cooperation.

71. Mr. CHEKAY (Union of Soviet Socialist Republics) said that UNDP was increasingly demonstrating its effectiveness as the basic financing and coordinating centre for multilateral technical assistance within the United Nations system. The "new global consensus", which was based on the relevant resolutions of the General Assembly and the Economic and Social Council, provided clear guidelines for expanding the Programme's activities. The non-discriminatory nature of technical assistance, the leading role of the Governments of recipient countries in determining their development plans and priorities, and the coordination of technical assistance at the national level constituted the theoretical basis for UNDP's work. The introduction of any new parameters in that connection must be approved by consensus by the Governing Council and lead to concrete and tangible results.

72. Although the Human De lopment Report 1991 had a number of serious shortcomings, in general, the systematized approach to the socio-economic component of the system of human values and priorities was justified. With time and with full account taken of the views and interests of all parties concerned, the human development index could, provided that it was free of any politicization, become one of the criteria governing the functioning of the system of technical cooperation. The inclusion of environmental issues among UNDP's basic priorities and activities in recipient countries was fully justified. The Programme's activities in such areas as human resources development, TCDC, cooperation with grass-roots and non-governmental organizations and women in development were also to be commended.

73. His delegation understood the difficulties experienced by the specialized agencies in connection with the proposals for new successor arrangements and called for a mutually acceptable solution that was based on General Assembly resolution 44/211 and took account of the interests of all parties concerned, particularly the recipient countries.

74. The planned structural reorganization of UNDP should promote universality and enhance effectiveness. The Kienbaum report (DP/1991/50), which proposed a number of interrelated measures, could serve as a basis for practical action, provided that it received the consensus support of the Governing Council. In view of the extensive action being taken by UNDP to deal with the consequences of the crisis in the Persian Gulf and the proposed programme for Eastern Europe, consideration could be given to strengthening the UNDP Regional Bureau for Arab States and Europe.

75. Within the limits of its resources, the Soviet Union was helping to strengthen the production and export potential of third world countries. In

(Mr. Chekay, USSR)

addition to bilateral ties, it was giving greater attention to participation in multilateral programmes, including the provision of technical assistance through UNDP, UNICEF, UNFPA and other specialized agencies.

76. In its transition to market-based structures, the Soviet Union was tackling a large number of issues, including the creation of conditions for free competition, the privatization of State property, the demonopolization of production and the promotion of genuinely independent economic activity. It believed that those efforts would make it possible to participate more actively in economic, scientific and technical cooperation with developing countries.

77. The conversion of military production would free resources in both North and South for constructive purposes. Consideration should be given to the possibility of involving UNDP in large-scale measures in that connection. The Soviet Union was seeking to demilitarize its economy and use the material and intellectual potential acquired in that field for the benefit of mankind. His Government's decision to reduce military expenditures for 1990-1991 by 14 per cent was being implemented. Part of the resources thus saved would be allocated to multilateral technical cooperation.

78. Addressing the consequences of the accident at the Chernobyl nuclear power plant was a matter of particular concern for his country. General Assembly resolution 45/190 provided for serious efforts at many levels in that regard and called for coordinated action by all parties concerned, including United Nations agencies. His delegation believed that UNDP should take part in that process. The draft resolution being submitted by the Soviet Union, the Byelorussian SSR and the Ukrainian SSR on UNDP participation in international cooperation to address and mitigate the consequences of the accident at the Chernobyl nuclear power plant was practical and specific and in keeping with the relevant resolutions of the General Assembly and the Economic and Social Council. The draft resolution did not make further demands on the UNDP regular budget or in any way affect the interests of recipient countries, and his delegation hoped that the Governing Council would adopt it by consensus.

The meeting rose at 6.05 p.m.

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SUMMARY RECORD OF THE 25th MEETING

Held at Headquarters, New York,
on Tuesday, 11 June 1991, at 6 p.m.

President: Mr. JASINKSI (Poland)

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Annual report of the Administrator for 1990 and programme-level activities (continued)

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The meeting was called to order at 6.25 p.m.

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1990 AND PROGRAMME-LEVEL ACTIVITIES (continued) (DP/1991/10 and Add.1 and 2; Add.3 and 4 and Corr.1 (Spanish only); DP/1991/11, DP/1991/12, DP/1991/13, DP/1991/14, DP/1991/15, DP/1991/57, DP/1991/68 and DP/1991/77)

1. Mr. SAHA (India), referring to the Human Development Report 1991, said he agreed with the Administrator regarding the need for in-depth consideration of the sensible reallocation of resources, participatory development with the active involvement of those concerned in the decision-making process, and the unleashing of the creative energies of the people to generate economic and social opportunities, since development was indeed not simply a means to economic growth, but a process of enlarging people's choices. Nevertheless, the report failed to address a number of issues, such as the right to freedom from hunger, the right to shelter and the right to development.

2. The report's main conclusion was that lack of political commitment, not of financial resources, was often the real cause of human neglect. Human development was based on economic growth, but also on firm political action. The developing countries could, for example, release their own resources by freezing military expenditure which, according to the report, absorbed 5.5 per cent of their total GNP. However, the report gave the impression that a restructuring of national budgets and international aid towards human development would be sufficient to release enormous resource potential. UNDP should decisively reject that argument, since it might lead to the assumption that if the resources that were hypothetically available were enough, no increase in development assistance was needed.

3. The 1991 report proposed means of refining the human development index (HDI), which, on the basis of income, life expectancy and literacy, ranked countries in terms of the value of the human development thus defined. In 1991, the portion of income above the poverty level was taken into account where level of knowledge was concerned; it was no longer assigned a zero weighting, as it had been the previous year, but a progressively diminishing one. Moreover, the report suggested that those in charge of public spending should use the human expenditure ratio - the percentage of national income devoted to human priority concerns - which needed to be at least 5 per cent for a country to achieve satisfactory human development.

4. On the basis of the principle that there was a high correlation between human development and human freedom, the report presented a human freedom index (HFI) based on the 40 indicators used by the British analyst Charles Humana to measure freedom. First of all, one might ask whether freedom of the press, reduced military spending, etc. could be regarded as indicators of overall development regardless of all cultural and other considerations. Moreover, other United Nations forums were looking very closely into such matters, and it might be wondered whether UNDP should

(Mr. Saha, India)

promote criteria of that kind. In any event, they should in no case lead to the imposition of new conditionalities where development was concerned.

5. With respect to international development assistance, the report pointed out that the restructuring of outside assistance could open up a new era for official development assistance and that the aid human expenditure ratio was a good index of a donor's contribution to human priority areas. The report rightly emphasized the need for reassessment of technical assistance, in the context of which a great deal was often spent on technical expertise and much less on providing national institutions with the means with which to operate and on mobilizing national expertise.

6. While the report's findings were useful, the methods used warranted scrutiny. Why the three measures of health, knowledge and standard of living had equal weights was not explained. Even when alternative methods of tracking the HDI were suggested, the assumption remained the same: the three components of that index were treated identically. However, as the technical notes pointed out, each component of the index could give rise to enormous variations depending on the way income was treated.

7. With respect to the "refinement" said to have been introduced into the HDI, it did not appear that taking years of schooling into account led to much change in the result obtained. The way in which income above the poverty level was taken into account was similarly arbitrary.

8. If the report was to be believed, the Bahamas, where adjusted average income was over twice the poverty level, had no more than a 3 per cent income utility advantage over those countries which were not above the poverty level; that appeared totally unrealistic.

9. While the concepts advanced in the report were valid, it was over-concerned for precision in an area in which its authors had themselves recognized the inherent limitations of that type of analysis. It was that which had led them, in constructing the human freedom index, to adapt Mr. Charles Humana's methodology without taking into account his decision to assign weightings to certain aspects, the usefulness of which they did not appear to perceive. While their human freedom index was admirable in its simplicity, the total absence of weightings made its conclusions arbitrary, perhaps even more so than those of Mr. Humana, who at least had perceived the usefulness of discriminating between the different freedoms, thus admitting that not all were equally important and that the world should not be simplified to the point of a black or white classification. His delegation wondered in that connection how the authors had found that only 14 freedoms were respected in each country; few objective observers would give India a zero on 26 of the 40 counts.

10. The methodological foundations of the report needed to be examined all the more closely in that the novelty of its indices had attracted a great deal

(Mr. Saha, India)

of attention. That was particularly true with respect to the human freedom index, which was perhaps the centrepiece of the 1991 report. Unless the defects in the methodology were identified early on, there was a risk that the effort at simplification would give rise to new ideas of equally doubtful merit regarding how to measure human development. In its future reports on human development, UNDP should focus more on practical areas relating to multinational technical cooperation for operational activities of the United Nations development system; in other words, it should fulfil its mandate.

11. The increasing emphasis UNDP was placing on the private sector was an issue which had not been the subject of a specific decision by the Governing Council. While the importance of that sector to the development process no longer needed to be demonstrated, UNDP should first of all ascertain that it did indeed possess a comparative advantage in that field. Its relative strength seemed to derive rather from its close cooperation with central government institutions and its focus on capacity-building within them. The belief appeared to be gaining hold within UNDP that public investment was less effective than private investment. That was but another unsubstantiated claim of the "free market". The free market could, although it appeared unjust and chaotic, meet the material needs of society. But to say that it could meet all of society's needs was to place too heavy a burden on the market and to divest the State of its responsibility towards the population.

12. Mr. BABINGTON (Australia) welcomed the shifts in the way UNDP thought and operated, and in particular the fact that the initiative for the Human Development Report, in which Governments were invited to redefine development in the light of human needs, had come from within UNDP itself.

13. The introduction in 1991 of the human freedom index might not be welcomed by all countries, but his delegation believed that its value lay not in a categorical statement of empirical truths, but in the better understanding it afforded of the concept of people-centred development. That did not mean that extreme care did not need to be taken in constructing the index, which in any event, as the Administrator had noted, needed to be refined.

14. The report also helped to bridge the communication gap which had long existed between the United Nations bodies dealing with human rights and those in the development area, given that economic, social and cultural rights and the right to development were mutually complementary. Two of the most important external factors influencing UNDP's development intervention were the Governing Council decisions of the past year on the fifth cycle and on a funding strategy. Those decisions should enable UNDP to concentrate on six key areas such as women in development and management development, and to urge for greater attention in areas where UNDP had a so-called comparative advantage, to improve programme quality and effectiveness and to reduce administrative costs.

(Mr. Babington, Australia)

15. UNDP would serve global development better by avoiding entanglement in too many projects in too many sectors. In that connection he supported the suggestion of the Danish delegation that UNDP shall elaborate on the "vertical" advantages and report thereon to the Governing Council at the next session. UNDP had a comparative advantage in management development. So far as the Management Development Programme (MDP) was concerned, he welcomed the progress made in implementing the MDP and agreed that MDP availability should be linked to the level of commitment of the leaders of the countries concerned to undertake major reforms. In the South Pacific, five countries had already sought assistance through MDP. UNDP should continue to coordinate their MDP activities with other programmes geared to the public sector, in particular the World Bank's municipal development programme.

16. More progress was needed to combat the HIV/AIDS pandemic. The World Health Organization estimated that globally one in every 250 adults was infected with the virus. The developing world was especially hit hard: infection rates in some countries in Africa, Asia, the Caribbean and Latin America were significantly higher than 10 per cent. The pandemic would have devastating effects on every aspect of development, especially as rates of infection increased among women and children.

17. UNDP played a vitally important part in the United Nations system's response to the pandemic by spreading awareness of the development implications and by enhancing the capacity of communities and Governments to respond. So far, however, UNDP had lacked a comprehensive policy approach. Australia therefore welcomed the policy framework paper submitted to the Council, especially its clear elaboration of goals, priorities and delivery mechanisms of the anti-HIV/AIDS programme, and the elaboration of guiding principles for policy development.

18. With regard to the issue of coordinating the United Nations system's efforts, and apart from the fact that the policy framework paper sought to clarify UNDP's role in the response of the United Nations, there was full collaboration between UNDP and WHO and other relevant agencies within the context of the WHO/UNDP alliance to combat AIDS. It was to be hoped that all organizations would continue to coordinate their activities so as to avoid potentially costly overlapping or duplication.

19. Recently the Council had allocated $5 million for the fifth cycle of UNDP's work in that area. More would have to be done, either through additional Special Programme Resources allocation or IPF or cost-sharing arrangements.

20. Some improvement in UNDP's attention to the role of women in development was noted. A rising number of project advisory notes reflected an increased grasp of gender issues and he commended the advances made in the Bureau for Programme Policy and Evaluation to make gender competence a factor in staff appraisal, and the increased emphasis in women-in-development issues in the

(Mr. Babington, Australia)

current Human Development Report. Nevertheless, and although women in development was one of the six areas identified by the Council in 1990, the progress in bringing women-in-development concerns into the mainstream of programming and policy development at senior levels remained sluggish. In particular, only a small number of women were in senior positions in the Programme: only 6 out of 114 resident representatives were women.

21. Australia had long supported UNDP's work in the Asia/Pacific region. UNDP assistance was particularly valuable at times of natural calamity, e.g., when cyclones destroyed what had taken years of patient development effort to build. UNDP also played an important role in coordinating aid via the round-table process which, especially in the South Pacific, provided an opportunity for policy dialogue between development partners.

22. Ms. KEPPENS (Belgium) said that the Human Development Report 1991 rightly showed that effective utilization of available resources and their reallocation to real priority sectors were crucial for ensuring that the population truly benefited from economic development. In the same context, the leaders of developing countries and those responsible for the cooperation policy of donor countries could draw important conclusions from reading the report. Serious consideration should be given to making the human development composite indicator one of the factors for determining distribution of official aid funds and, in particular, the UNDP indicative planning figures.

23. She also welcomed the link which the report established between the ideas of participation, democracy, respect for human rights and fundamental freedoms and the debate on economic and social development. Human development and the freedom of individuals were indissociable. UNDP should improve that new indicator of human liberty.

24. Her Government hoped that the Council would be able to provide definitive figures on the support costs at the current session. In particular, the Council should specify without ambiguity the way in which UNDP was to manage the new system and what the executing agents and the recipient countries could expect. If such a determination could not be provided at the present time, it would be advisable to follow the negotiations and to extend implementation of the current system for a further year.

25. With regard to execution by national entities, the importance of the tripartite relationship between UNDP, executing agents and recipient countries should be borne in mind - a relationship which assigned particular responsibilities to each of the three elements. The technical assistance provided by UNDP and the executing agents should be focused on human development and the self-sufficiency of the recipient countries. The procedure of execution by national entities, or by Governments themselves, actually created a new framework for that technical assistance by increasing the responsibility of the recipient countries in implementing programmes and projects.

(Ms. Keppens, Belgium)

26. That procedure should, however, be introduced progressively. The agents could continue to play an important role at the level of programme formulation and of the work carried out over and above operational projects. The executing agents should also help to promote that procedure by collaborating with the recipient countries in identifying and improving national capacities. In any event, the transfer of skills accompanying execution by national entities should be accompanied by the transfer of responsibility to local authorities in respect of the quality, relevance and impact of the programmes financed by UNDP.

27. Belgium supported the programme for strengthening managerial skills and considered that the recommendation, expressed in the evaluation of that programme, should be endorsed, after which the available funds should be allocated as a matter of priority, to countries which had undertaken large-scale reforms involving substantial upgrading of the capacities of their institutions.

28. Her delegation considered that refugee flows were becoming an increasingly permanent trend. UNDP must concern itself chiefly with the coordination and formulation of programmes for the integration in host countries, literacy and development of refugees, displaced persons and returnees. However, it questioned whether the UNDP humanitarian programmes support unit proposed in the Administrator's report could be set up without budgetary implications. On the subject of operational activities, it held the view that the recipient countries could allocate part of their IPFs to integration projects, thereby supplementing the funds from Special Programme Resources.

29. Environmental conservation was one of the most important tasks of the 1990s, and she hailed the fact that the environment was becoming one of the Programme's priority areas of activity. UNDP should evaluate in depth the effectiveness of each programme and project in environmental terms and make the necessary preparations for the United Nations Conference on Environment and Development.

30. As far as the senior management structure of UNDP was concerned, the proposal to introduce strategic decentralization had some interesting features, provided that it did not alter the specific character of UNDP, which must remain an organization whose operating methods were as flexible as possible in order to be able to meet the varied aspirations of all its members. In any event, her delegation was agreeable to the decentralization of responsibilities towards the resident representatives, the regional bureaux and the heads of divisions whose establishment was proposed.

31. She endorsed the comments of the representative of the Netherlands who, on behalf of the twelve member countries of the European Community, had affirmed the importance of the sound functioning of the Governing Council, to which the new Standing Committee for Programme Matters was expected to

(Ms. Keppens, Belgium)

contribute. It was to be hoped that all the problems concerning the mandate and work of the Committee would be solved promptly.

32. Mr. SUCHMAN (Observer for Czechoslovakia) said that the UNDP Governing Council was holding its thirty-eighth session at a time when the international community must respond effectively to new challenges in world affairs and reduce their impact on the economies of States. Particularly at issue were: the place of developing countries in East-West relations, the transition of Central and Eastern European countries to market-based economies and their integration in the world economy, sustainable development and the emphasis given to the development of human resources. However difficult those problems might be, they had to be tackled in a joint and coordinated approach by all nations.

33. What was manifest was that the development of mankind was contingent not only on increasing production, profit and wealth but also on the creation of conditions for a longer life, better health, quality education, political freedoms, human rights and respect for the human person. In other words, an environment conducive to a productive life must be created. That was why his delegation appreciated the reorientation of UNDP activities towards people-centred development and welcomed the UNDP initiative in country programming for human development.

34. Important qualitative social changes were under way in the subregion of Central and Eastern Europe. Economic restructuring had painful economic and social consequences. The transition from a centrally directed to a democratic pluralistic system with a market-oriented economy required changed thinking patterns. The transition period, which had been expected to last between three and five years, would probably be far longer, and much greater attention would have to be paid to its human dimension.

35. Since January 1991, Czechoslovakia had adopted such reform measures as price and foreign trade liberalization, the introduction of internal convertibility of the Czechoslovak crown and the adjustment of the exchange rate of the Czechoslovak crown. The privatization of small businesses was under way and the privatization of large enterprises had begun. Czechoslovakia was pursuing a restrictive monetary and fiscal policy to create an adequate framework for the economic reform. However, it must also face unexpected external problems such as the negative economic impact of the Persian Gulf crisis and the collapse of the CMEA market. Those problems could be overcome by a radical economic reform using external technological and financial assistance together with the economic cooperation of all countries. Czechoslovakia welcomed the assurance of the Western industrial democracies that they would continue to provide extensive technical and financial assistance to Eastern European countries through channels other than those for aid to developing countries.

(Mr. Suchman, Observer, Czechoslovakia)

36. The disappearance of the Iron Curtain had revealed the existence of a deep economic imbalance in Europe. The extent of the environmental degradation in Eastern European countries had shocked the entire world. Some feared that European States would be divided into prosperous and backward and that the new democracies might fail owing to economic collapse. In integrating the Central and Eastern European countries into the world economy, new opportunities for cooperation between them and the developing countries must be sought. It should be borne in mind that development in the countries of Central and Eastern Europe would create new opportunities also for developing countries, particularly in the field of trade and investments. Czechoslovakia was ready to participate in international cooperation programmes, including the multilateral technical cooperation programmes of the United Nations system. His delegation welcomed the proposal to hold a UNDP workshop on the development of commercial and economic cooperation with recipient countries in Czechoslovakia in 1991. The workshop would familiarize the major trading partners from all regions with the changes occurring in the Czechoslovak economy during the transition to a market system and with specific opportunities for trade and joint industrial production.

37. His delegation endorsed the programme-based approach which UNDP intended to adopt in national execution projects, together with decentralized management.

38. As a net contributing country, Czechoslovakia was preparing its national IPF projects and thus far had submitted to UNDP six major projects concerned with the development of telecommunications and postal services, the support of foreign investments, the restructuring of the mining industry and the improvement of the statistical system. It would be recalled that the volume of assistance obtained under UNDP projects would be compensated by Czechoslovakia's contributions to UNDP funds either in cash or towards regional or interregional projects. His delegation hoped that Czechoslovakia's net contributor status would be of a strictly temporary nature and would terminate as soon as its economic situation stabilized.

39. Mr. BOGNER (Austria) said that his delegation endorsed the Administrator's conclusion that the magnitude and complexity of the social, economic and environmental challenges were being increasingly realized. It, too, believed that the United Nations, with its distinctive feature of universality and impartiality, would play a major role in both political and social matters. The new International Development Strategy clearly defined the policies and measures that were required to accelerate development and strengthen international cooperation during the 1990s. A strengthening of the role of private enterprise, of democratic structures and of respect for human rights would be key elements in those endeavours, as the Administrator had rightly stated.

40. The publication by UNDP of a new report on human development was a much appreciated initiative. The strong response elicited by the second edition,

(Mr. Bogner, Austria)

in which the as yet imperfect Freedom Index was featured, showed that the report coincided with a real need. His delegation fully endorsed the concept of participatory development. That concept had to be applied to development strategies in general and to the future work of UNDP in particular. Specifically, it called for the enhanced inclusion of national institutions in the implementation of development projects and the strengthening of the role of NGOs and grass-roots movements.

41. His Government believed that UNDP could put its comparative advantages to good effect in the six priority sectors defined by the Governing Council in its decision 90/34. With its wealth of expertise in technical cooperation activities, UNDP had all the potential for playing a crucial catalytic role in helping the countries of Eastern Europe to overcome their economic and social difficulties. Setting up mechanisms that would enable UNDP to remain in very close contact with all partners involved would be extremely useful. Obviously additional financing would be required for such activities.

42. There were two highly important issues of concern to his delegation. The first was the question of funding. The 8 per cent growth rate for voluntary contributions during the fifth programming cycle was not very realistic, given the worldwide budgetary constraints. As several main donor countries had hinted that their voluntary contributions had reached a ceiling, the proposals concerning a radically new system for funding operational activities was well worth considering.

43. The second issue was the scope and volume of UNDP activities. It might be useful to recall that, of the total capital flows from the developed to the developing countries, grant aid for UNDP-financed technical cooperation activities amounted to less than 1 per cent. Those resources were nevertheless substantial and often constituted the only source of funding. It was therefore essential to make the most rational use of those resources. A high degree of division of labour would be necessary for achieving that objective. UNDP must be careful to draw on existing expertise in other bodies and to avoid duplication of efforts and structures. The current efforts applied to reforming the working mechanisms of the United Nations system clearly showed that many of the old structures and habits should be overhauled.

44. Mr. KALPAGE (Sri Lanka) said that the Administrator had rightly emphasized the urgent need to place international cooperation at the centre of world affairs; there was no other way whereby worldwide peace and security could be achieved in those troubled times. He fully agreed that the emphasis should be placed on the importance of the human factor in development. It was precisely such realization which had convinced the people and Government of Sri Lanka that humiliating poverty could be alleviated only by a well-planned population-centred programme.

(Mr. Kalpage, Sri Lanka)

45. For that purpose, President Ranasinghe Premadasa had introduced a poverty alleviation concept ("Janasaviya"), based on a pragmatic approach. It could become a source of inspiration for other countries, but it was essentially a Sri Lankan programme with Sri Lankan roots. Approximately 1.4 million families were expected to participate. The President had recently inaugurated the Janasaviya Trust Fund which interlinked four components (credit, human resources, community projects and nutrition). Donor contributions could be made to any of those funds. A unique feature of the Trust was that all the component funds were disbursed through partner organizations. They could come from non-governmental organizations, people's organizations, and public or local government services which had a good record of working efficiently and responsibly with the poor. In that connection, Sri Lanka welcomed its close association with UNDP, the World Bank and the Federal Republic of Germany.

46. Management of the environment and the productive use of natural resources was the second priority of Sri Lanka, which coincided with the second guiding principle referred to by the Administrator. His Government was taking decisive steps to halt environmental pollution. Henceforth it would be necessary to obtain the permission of the Central Environmental Authority in order to start any new project or industry. A set of regulations governing environmental impact assessment would soon be presented in Parliament. A Presidential Task Force had been established to formulate a national conservation policy. The Metropolitan Environment Improvement Project, funded by UNDP, would soon be inaugurated.

47. His Government was consolidating an open-market economy, being firmly convinced that that was the most effective way of ensuring rapid economic development and job creation in Sri Lanka. The governmental controls had been considerably relaxed since 1977, but more work had to be done in many areas such as industrialization, investment promotion, export development and public enterprise management. Increased production and higher productivity would be emphasized in those sectors.

48. Overall management of the development process, whereby people-centred economic and social development was encouraged, could be one of the major themes for UNDP assistance to Sri Lanka under the fifth country programme. Sri Lanka believed that it was primarily for the recipient Government to determine how best to carry out UNDP-funded activities. It was desirable to see the projects managed by Sri Lankans wherever possible. UNDP could help to strengthen the Government's capacity to administer UNDP inputs.

49. The UNDP fourth country programme in Sri Lanka (1977-1991), which had been implemented in difficult circumstances, had contributed considerably towards furthering the economic and social development of Sri Lanka. In the Human Development Report 1990, Sri Lanka had been cited for its relatively high human development index, thanks to the investment which the Government had made in education and health care, in addition to food and health service subsidies.

(Mr. Kalpage, Sri Lanka)

50. The Human Development Report 1991 took human freedom into account in establishing the human development index. That was a bold step. There was, however, a need for taking into consideration the prevalent internal situation and cultural values of each country with a view to reaching an objective assessment. Sri Lanka was firmly committed to the human freedoms enunciated in the Universal Declaration for Human Rights and relevant Covenants. It submitted itself voluntarily to periodic examination by the relevant monitoring bodies. However, the Sri Lankan people and Government were still engaged in an unrelenting struggle against terrorism which was a deadly threat to human freedom. They had a right to expect the understanding and support of all those committed to human freedom in the effort to re-establish normalcy in their country.

51. Sri Lanka appreciated UNDP's continuing role in its economic and social development. For 39 years a number of its institutions had benefited from some form of UNDP cooperation. His delegation was also happy to announce that Sri Lanka's contributions to UNDP had increased over the years and exceeded $1 million.

52. Mr. PETTITT (United Kingdom) remarked that the representative of the Netherlands had already expressed the views of the United Kingdom. The United Kingdom statement would be limited to very specific issues. His delegation endorsed the establishment of a new form of assistance for political development, e.g. as it had been provided to Haiti under the project referred to by the Administrator. The Commonwealth countries were already known to be receiving similar assistance through the Commonwealth Fund in the area of technical cooperation or other services extended by the Commonwealth Secretariat. Accordingly, the United Kingdom delegation suggested that UNDP should limit its assistance to serving other countries.

53. The work done by UNDP under the Management Development Programme was highly appreciated by the United Kingdom personnel dealing with development aid. He drew attention in particular to the assistance offered to the Public Service Review and Reorganization Commission in Uganda. Nevertheless, he was convinced that it was still possible to improve implementation of the management development projects, in matters of coordination with other donors. He had in mind not only the World Bank and the competent United Kingdom authority but also the European Community and the Commonwealth Secretariat.

54. His delegation's views concerning the HIV/AIDS question had been set forth by the representative of the Netherlands. British authorities would read with interest the policy document referred to on page 2 of the report (DP/1991/57).

55. With regard to the integration of women in development, general principles could be disseminated more widely among donors at the country level and be the subject of closer coordination. It might be a good idea for the

(Mr. Pettitt, United Kingdom)

resident coordinators to organize or sponsor meetings with the participation of United Nations bodies and bilateral donors.

56. His Government had previously announced that it would no longer provide development assistance for tobacco-related projects. The decision was prompted by scientific data demonstrating the adverse effects of tobacco on health. His delegation noted that UNDP financed technical assistance for a small number of projects in that area. It would like to know whether UNDP had adopted a position of principle on the subject, whether policy emanating from WHO or other United Nations bodies was currently the subject of discussion or being applied and what UNDP's plans were for the future.

57. Mr. DORANI (Djibouti) welcomed the quality of the documentation prepared by the Secretariat, but expressed the hope that in future it would be translated in time into all the working languages.

58. His delegation noted that mankind was moving towards a better world based on peace and social justice. However, centres of crisis still subsisted in certain regions, including the Horn of Africa, where war and famine continued to be people's daily lot.

59. The Republic of Djibouti had been affected not only by the Gulf crisis but also by the current crisis in the Horn of Africa. It was facing a critical economic and social situation because of the steady influx of refugees and its stability and security were also being threatened. None the less it had not shirked its responsibilities. His delegation would submit a draft resolution on the question which, it hoped, would win the support of all members of the Council. It noted with satisfaction the appeal launched by the Secretary-General to the donor community and the efforts he was making in that respect. It also welcomed the recent initiative taken by a group of donor countries, which had responded positively to the Secretary-General's appeal, and supported their proposal to organize a meeting between the countries concerned and the relevant multilateral organizations as soon as possible, in order to work out a common and coordinated response to critical humanitarian needs of the people in that region. It was sure that UNDP would have a contribution to make to that dialogue.

60. His delegation was convinced that there was a consensus in favour of giving priority to the least advanced countries, it being understood that each one should be able to set its own priorities. It hoped that UNDP and the international community would support the Government of Djibouti at the forthcoming local donor conference early in 1992. Since those consultations would coincide with the beginning of the fifth programming cycle they would provide another opportunity for stressing the country's special needs.

61. His Government had always attached considerable importance to UNDP's role as the principal element of the multilateral development assistance mechanism. UNDP's role in the 1990s should therefore be part of an overall

(Mr. Dorani, Djibouti)

effort to take all the relevant factors into account: desertification, drought, floods, additional costs due to the presence of refugees and displaced persons and so forth.

62. The Human Development Report 1991 did justice to the basic principle which guided UNDP's thinking, namely, that man was at the centre of development. However, his delegation felt, as did others, that the indicators must be improved and that quantifiable, less subjective elements must be found. It was unfortunate that no account had been taken of civil wars and other similar factors and, above all, the burden constituted by refugees and displaced persons. That would have provided a more realistic indicator of human development.

63. Mr. VILLEGAS (Observer for Mexico) said that the international context in which the current session of the Governing Council was being held, which was marked by a spirit of cooperation between groups of hitherto antagonistic countries, offered exceptional possibilities for advancing international cooperation and strengthening its basic principles. In that context, Mexico attached particular importance to the role played by UNDP as the principal instrument of the United Nations for promoting economic development, and was following its activities and discussions regarding its future plans and strategies with great interest. The complexity of those tasks and the responsibilities they entailed for UNDP required very thorough consideration of the basic principles of any international cooperation effort. Accordingly, non-conditionality and strict respect for self-determination of peoples were now assuming full validity as principles governing bilateral or multilateral cooperation activities. Equally important were the principles of universality, flexibility and neutrality which must be the basis for UNDP decisions concerning programming, evaluation and resource allocation activities. In that regard, Mexico had expressed concern at certain decisions concerning the fifth UNDP programming cycle, which had the effect of limiting the principle of universality by distributing resources in a manner that reduced the funds available to countries which had attained an intermediate level of development, instead of seeking new resources to meet the priority of the least developed.

64. His delegation was also concerned by certain implications that were contrary to the above-mentioned principles, and that publication of the Human Development Report 1991 was beginning to have; although the report was not an official document it was considered a UNDP document by the media. The report established categories according to very relative criteria concerning human freedom and advocated that the granting of multilateral or bilateral, public or private cooperation should be conditioned by those criteria. Another dangerous over-simplification, which the media had echoed, was the statement that developing countries no longer needed external financial resources for their economic development since they already had the resources, and that all they needed to do was to use them appropriately. That was to deny the efforts which many countries had made to put their economy on a sound footing and

(Mr. Villegas, Observer, Mexico)

improve their competitiveness, and to ignore the adverse consequences on development of problems such as the external debt, the protectionism of the industrialized countries and the declining value of raw materials which many developing countries depended on for their export earnings.

65. His delegation endorsed the statement made by the representative of Ghana, as Chairman of the Group of 77. Mexico had worked actively to promote respect for human rights and fundamental freedoms and had affirmed in the relevant bodies that those values could not be used as a means of political or economic pressure. Mexico had also said that democracy was not something that could be imported or exported and that it could not be imposed from outside. It had also pointed out that the real causes of social instability and the fragile evolution of democracy in Latin America were economic stagnation, inadequate levels of food, education and health and tremendous inequalities in the distribution of income. Those were problems which must be dealt with by using one's own resources. It was therefore up to the international community to encourage the establishment of an external climate favourable to the development of democracy.

66. Utilization of artificial and biased indices, as was the case in the chapter of the above-mentioned report on human freedoms, was dangerous and conducive to drawing hasty and fallacious conclusions. The Governing Council should therefore carefully review the mandate for the publication of the Human Development Report so as precisely to determine its scope and content, within the limits of UNDP's areas of competence. Furthermore, the Administrator should inform the Council of the outcome of the regional consultations that were to be organized to enable Governments to provide up-to-date information and to express their viewpoints concerning the orientation and interpretation of that information. His delegation stressed that its comments were designed to strengthen UNDP's role in the promotion of development, and reiterated its continued and resolute support for that task.

67. Mr. CHEW TAI SOO (Singapore) said that his country was appreciative of UNDP's invaluable help in laying the foundations for its economic development following independence in 1965. In more general terms, the report of the Administrator described the fine work accomplished by UNDP. The distribution of expenditure for 1990 showed that the focus continued to be placed on development. His delegation congratulated UNDP for thus adhering closely to the mandates spelt out in General Assembly resolutions 2688 (XXV) and 3405 (XXX).

68. The annex to resolution 3405 (XXX) emphasized, inter alia, that (a) the basic purpose of technical cooperation should be the promotion of self-reliance in developing countries; and (b) the selection of priority areas in which to seek the assistance of UNDP should remain the exclusive responsibility of the Governments of the recipient countries. Neither resolution made any provision for UNDP to introduce human rights into development issues or to link the provision of technical assistance to human

(Mr. Chew Tai Soo, Singapore)

rights. His delegation was therefore somewhat disappointed to note that the Human Development Report for 1991 included a controversial section entitled the "Human Freedom Index". As far as it understood, the Governing Council had not approved or authorized that initiative. Furthermore, the evaluation set out in the report was not objective. The authors had confined themselves to an arbitrary reproduction of findings by another organization based on a study carried out for different purposes. The data used were obsolete. By acting in that way, UNDP was lending its authority to the Humana Index, which had not been sanctioned by Member States.

69. In conclusion, his delegation fully endorsed the views expressed by the Permanent Representative of Ghana in his capacity as the Chairman of the Group of 77. It hoped that UNDP would bear those views in mind, since they reflected the real concerns of a majority of Member States. It also fully agreed with the representative of Japan that UNDP should make every possible effort to focus its attention on the economic development of recipient countries.

70. Mr. SUTRESNA (Indonesia) said that the changes in international relations made it possible, for the first time since the Second World War, to achieve global peace, justice and sustainable development. As the principal instrument of the United Nations system of technical cooperation for development, UNDP had a central role to play in those efforts. His delegation was therefore particularly pleased to note the Governing Council's response to the changes, as reflected in its decision 90/34, adopted in the wake of General Assembly resolution 44/211. The report of the Administrator also reflected the changing milieu. As indicated in the section of the report concerning technical cooperation, a new sense of urgency had developed, in recognition of the magnitude and complexity of social and economic problems and of the planet's environmental fragility. In that context, his delegation concurred with the Administrator's emphasis on five areas of development challenge for the 1990s, namely, the transition to democracy, human development, sustainable development and global environment, disarmament and new modes of global cooperation.

71. His country attached great importance to human development and recognized that human beings were both the active agents and the objective of the development process. Three years previously, growing awareness of the importance of human development in the ESCAP region had culminated in the adoption of the Jakarta Plan of Action, a useful guide by which to enhance the quality of life of the people of that region. It should also serve as a means to unleash the full potential of the people through their participation in development. His delegation was pleased to note that UNDP now placed greater emphasis on human development, rather than on per capita GNP, which had been its traditional yardstick. In that context, it supported the ways in which UNDP was promoting human development through its activities at the national, regional, interregional and global levels. It hoped that the new concept of human development would gain its rightful place on the global agenda and that

(Mr. Sutresna, Indonesia)

strategies to implement it at the national level would attract adequate IPF allocations and other funding.

72. However, his delegation was disappointed and concerned by the publication of the Human Development Report for 1991. The inclusion of a Human Freedom Index in the report raised serious questions, because its inclusion ran counter to the spirit and the letter of Governing Council decision 90/13 and to the consensus of 1970, which established a comprehensive framework for UNDP activities. The Index was also incompatible with General Assembly resolution 44/211, which stated that the national goals and priorities of the recipient countries formed the only basis for cooperation. Secondly, his delegation believed that the Index was based on arbitrary criteria which demonstrated a large measure of insensitivity to different traditions and cultures. It could also divert attention from such crucial development issues as the adverse external environment and the imbalance in global economic relations, which must be solved if the development prospects of the developing countries were to be improved. Thirdly, the complete absence of prior consultation with the recipient countries in order to reflect their development priorities and concerns was regrettable. His country therefore endorsed the position of the Group of 77 on that issue.

73. In the context of human development, his delegation also attached particular importance to the concept of self-reliance. As a development policy objective, self-reliance was necessary not only to enable countries and peoples to control their own economic destinies but also as a crucial element to ensure that their development efforts were sustainable. However, self-reliance measurements should not be allowed to replace economic growth criteria. They should instead be used to complement economic indicators which did not adequately address the issues of inequality and poverty. The emphasis given to self-reliance should therefore help promote a greater focus on grass-roots participation, including non-governmental organizations and women in development, and on narrowing the gap between North and South. Procurement from developing countries, as noted in document DP/1991/53, was also an important means of promoting self-reliance and enhancing national capacities. In that respect, his country considered the trend towards greater national execution to be a positive one, which should be strengthened during the fifth programming cycle.

74. In a fragile planet with limited resources and an expanding population, protection of the environment was another important item of the new agenda. His delegation was pleased to note that UNDP was joining forces with UNEP to assess the impact of development on the environment in several countries. It was encouraged by that new initiative, which should go a long way towards enhancing understanding of the daunting problems faced by developing countries. For that reason, his delegation believed that technical assistance to enable Governments to incorporate environmental concerns into their long-term development plans was of crucial importance. It was also, however, important that such activities should not overtax the resources and capacities

(Mr. Sutresna, Indonesia)

of the developing countries. Given that poverty contributed to pollution, its elimination would be of great help to the cause of environmental protection and should therefore be accorded a high priority. His delegation trusted that the United Nations Conference on Environment and Development, to be held in 1992, would advance the objective of sustainable development and welcomed the establishment of the new global environment facility. With regard to UNDP's fifth programming cycle, his delegation wished to draw the Governing Council's attention to the approval by ESCAP, at its forty-seventh session in April at Seoul, of a resolution concerning the Tripartite Review Conference of the Regional Energy Development Programme. In that resolution (E/ESCAP/L.118), ESCAP requested UNDP to continue its support to the Programme in its current form beyond 1991. Although the States members of the Programme were in agreement with the directives of the Council, some difficulties remained as to the timing for the transfer of responsibilities from UNDP to States members of the Programme, which had requested a longer period of time in order to enable the regional energy working group to become self-reliant. Since the Regional Energy Development Programme played a vital role in the ESCAP region, his delegation sincerely hoped that the Council would recommend continuation of UNDP's support to the Programme in its current form.

75. In conclusion, Indonesia considered that, after 40 years of existence, international cooperation for development was more than just a pipe dream, as some continued to believe; it was a practical working proposition that was bearing fruit. However, the gap between North and South persisted, poverty and inequalities were still massive, and the earth's ecosystem was being subjected to repeated assaults. Moreover, increased global interdependence had not halted economic dependence, and the necessary adjustments continued to affect social and economic agendas in many developing countries. Helping to forge strategies that would bring about peace and social justice, and help protect the environment for present and future generations might just prove to be UNDP's greatest challenge.

76. Mr. THOMPSON (Observer for Fiji) said that for over two decades, UNDP had been an active and valuable partner in the development efforts of the island countries of the Pacific subregion. The unique physical characteristics of the 23 island developing countries and territories in the subregion had imposed constraints on their development that had been extremely difficult to overcome. Those constraints were dictated by geography: the islands were widely dispersed and remote, nearly all of them were small, four were classified as least developed, and many were without adequate links to the outside world. Their economies were rudimentary and in many cases still dominated by the subsistence sector, and they were highly vulnerable to the forces of nature. Because of those special characteristics, the island countries had often remained outside the mainstream of international development. Bilateral and multilateral agencies had had to use unorthodox methods to adequately cater for their circumstances. UNDP, in response, had long adopted the cost-effective modality of combining regional programmes with country programmes. The Pacific subregional programme, which was almost as

(Mr. Thompson, Observer, Fiji)

large as the combined country IPFs, was the core of UNDP assistance to the South Pacific, and made it possible to concentrate the small country programmes on a few priority areas, while the problems common to most island countries were addressed by the regional programme.

77. The Pacific Meeting of Aid Coordinators (Mini-MAC), which had concluded a few days earlier in Nouméa, had considered the Pacific subregional programme for the fifth cycle and agreed on a programme incorporating four priority development themes: human development and poverty alleviation; natural resources management and environment; economic and financial management and reform; and intraregional cooperation; as well as 15 related programmes and projects. In addition, in the spirit of General Assembly resolution 44/211, joint programming had been proposed with UNFPA, UNICEF and WHO. Participants in the Mini-MAC meeting in Nouméa had also proposed that a detailed study be undertaken of the status of human development in the South Pacific. For the countries of the region, developing rural areas and outer islands and atolls by providing the people of those areas with the means of production posed a major challenge. The geography of an island country naturally fostered over-concentration of socio-economic activity and of population on the capital island, with consequent threat to human welfare and the natural environment, while hardships continued to prevail in rural and outer areas. Indeed, in the context of the South Pacific, poverty alleviation meant the elimination of the development imbalance between urban and rural or outer areas through the creation of productive bases in the latter. Decentralized development and the diversification of production were therefore among Fiji's major long-term objectives. Income-generating opportunities needed to be found in rural areas in such sectors as small-scale fisheries, agriculture and small manufacturing industries, and people should be trained so that they could gain from such opportunities. At the same time, substantial investment was necessary on communications infrastructure and social services so as to prevent or slow the drift from rural and remote areas into the towns.

78. The people of the South Pacific relied heavily on the natural ecosystems and resources of their small island countries. Sustainable use of the natural resources of sea and land and environmental conservation should be given special attention, not only from their own Governments but also from the countries bordering the Pacific Ocean. Due to the lack or shortage of technical expertise in individual countries, that theme was being addressed on a regional cooperative basis under the South Pacific regional environmental programme (SPREP). It was noteworthy that UNDP provided major support in that area under the fifth programming cycle, through SPREP, to build national capacity in environmental management and planning. In addition, UNDP had been able to obtain from the Global Environmental Facility $10 million to finance a regional programme for the South Pacific in biodiversity conservation, a programme that would have significant implications for the nations of the Pacific as well as for the world community in general.

(Mr. Thompson, Observer, Fiji)

79. Limited natural resources on land meant that the major drive for future economic development of Pacific island countries must come from marine resources. However, the reefs and near-shore resources in heavily populated areas were already overfished. The tuna resources in the South Pacific were considered adequate to support the economic growth of the small island nations, provided they were properly managed by the islanders themselves. But fisheries in the South Pacific generated only a marginal share of those countries' GDPs. Numerous studies had confirmed the existence of good resource stocks and growing world markets for tuna products, but fishing was chiefly carried out by fishing nations from outside the area. Very little research had been done into the conditions for transferring to the island nations technology relating to tuna fishing. Pacific nations were interested in the experience of other developing countries where the traditional methods of tuna fishing were flourishing; data could be exchanged through TCDC and UNDP could provide extremely valuable external support.

80. As a consequence of the international economic slowdown, during which the GDP of some island countries had actually decreased in real terms, they had become aware of the need to review how they planned and managed their national economies, not only to re-establish external and internal balances, but also to create more independent and self-sustaining national economies. One method being pursued in Fiji was to strengthen the private sector and catalyse its growth potential. New policies had been developed to accelerate private and informal sector development and to create a more efficient public sector. Development planning had been reassessed so as to direct available resources towards priority areas with a view to attaining the above objective. The economic and financial management and reform programme would also affect donor programmes through improved coordination. UNDP had been supporting the aid coordination process in Pacific countries through round-table meetings. However, the difficulty of preparing public investment programmes reflecting clear development policies and focusing on priority areas had been a common problem. In the case of Fiji, a round table had been held in May 1990 in Geneva at which the Government had presented development strategies based on expanding the role of the private sector and a gradual reduction of public sector investment. Donors had strongly supported that approach. During the current year, a follow-up meeting was to be held in Fiji with the support of a country project executed by UNIDO. The Fiji investment forum would bring together donors as well as foreign and domestic private sector parties interested in investing in Fiji, to discuss specific private sector projects and public sector programmes and services in support of those projects.

81. Most of the Pacific island countries were prone to natural disasters, especially tropical cyclones. In the wake of those disasters, UNDP had been extremely helpful, not only in financing disaster relief and rehabilitation programmes under Special Programme Resources but also in coordinating other donor assistance. Under the disaster mitigation and preparedness programme, agreed at the Mini-MAC meeting, the regional cyclone warning and flood forecasting system would be strengthened in the Pacific countries. Fiji

(Mr. Thompson, Observer, Fiji)

welcomed the excellent performance of UNDP's development support activities in the South Pacific and was pleased that following the first regional meeting of Pacific island countries and donors held under the auspices of the Forum Secretariat in February 1991, UNDP had initiated a new phase of dialogue between major donors and Pacific regional organizations. That new move for an advanced level of coordination and cooperation among donors, especially at the regional level, should lead to tangible results and enhanced aid effectiveness in the South Pacific.

82. Mr. HAMA (Algeria) said that UNDP's activities in the 1990s were part of the International Development Strategy for the Fourth United Nations Development Decade, adopted by the General Assembly in its resolution 45/199. That strategy, along with the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Least Developed Countries, adopted by the General Assembly at its eighteenth special session, constituted the new charter for international economic cooperation for the last decade of the century. The objectives of the United Nations system were clearly identified therein, in terms not only of revitalization of growth in developing countries, eradication of poverty, improvement of the international economic environment, particularly in the areas of money, finance and trade, but also of specific measures intended to help the least developed countries. UNDP's mandate was to concentrate its efforts on six priority areas: poverty eradication and grass-roots participation in development, environmental problems and natural resource management, management development, technical cooperation among developing countries, transfer and adaptation of technology for development and women in development.

83. Algeria was pleased that the inclusion of ecological issues in national and regional programmes had been the primary objective of the Regional Bureau for Arab States and Europe in 1990, and that 35 per cent of the regional projects managed by that Bureau dealt with the environment. The Bureau's programme on environmental protection in the Mediterranean was of great importance to all riparian States. As to the proposal to establish a centre for the environment and development for the Arab region and Europe, Algeria would actively cooperate in setting up the structures while ensuring that use was made of the material and human resources of the countries in the region. Desertification, the most serious ecological problem for more than 40 African and Arab countries, including Algeria, was responsible each year for the loss of more than 6 million hectares and the degradation of 21 million hectares, calling for the adoption of urgent measures and increased support.

84. With regard to technical cooperation among developing countries, the Administrator had correctly stressed in his report (DP/1990/10) that with the added demands of the modernization of the Eastern European economies and the reconstruction requirements of the Middle East, demand for capital was likely to be unusually high. That could have serious implications for lower-income countries. The question of the impact of the recent changes in East-West

(Mr. Hama, Algeria)

relations on world economic growth particularly on the economic growth and development of developing countries, was on the agenda of the Special High-level Meeting of the Economic and Social Council, to be held in Geneva in July 1991. The substantive issue debated at the Algiers Colloquium, organized by UNDP in anticipation of that session, in close cooperation with the Director-General for Development and International Economic Cooperation, was whether the recent change in East-West relations did not risk leading to the relaxation of international development efforts. Whatever the outcome of the debate, it was essential that developing countries and the organizations of the United Nations system, particularly UNDP, continue to foster strengthened technical cooperation among developing countries. For its part, Algeria would make a resolute effort on the bilateral or multilateral level, within the Maghreb subregion, the Arab world, Africa and all the other regions of the South. The UNDP Administrator had noted in that regard in document DP/1991/21 that steps had been taken in North Africa to reinforce integration within the Arab Maghreb Union through an economic common market. Algeria hoped that that statement would be reflected in greater support from UNDP for the efforts made by the member States of the Arab Maghreb Union. Since regional and subregional economic groups were becoming a vital necessity for developing countries, UNDP should further support the efforts of the Maghreb countries.

85. The main conclusion of the Human Development Report 1991, namely, that lack of political commitment, rather than lack of financial resources, was usually the real cause of human neglect, unjustly placed responsibility for the failure of their development policies on developing countries. Of course, mistakes had been made, and those countries did not deny it. However, in view of the profound injustice which characterized international economic relations, the instability of the international monetary and financial system, trade protectionism, the deteriorating terms of trade, obstacles to the transfer of technology, etc., one could only conclude that responsibility for the failure of the 1980s - which had very rightly been termed a lost decade for development - should, at the very least, be shared by all the actors in the international community.

86. The Human Development Report sought to rank 88 countries on the basis of a human freedom index consisting of 40 criteria. Despite the difficulty inherent in any attempt to quantify human freedom, which was itself mentioned in the report, that had been done, although Algeria failed to see the point of the exercise for an organization such as UNDP, the principal agent for technical cooperation in the United Nations system. Furthermore, the method was at the very least questionable; how could one find a standardized way of equating the 40 indicators, whose importance varied greatly from one individual to another, from one country to another, and from one civilization to another? In addition, some of the human freedom indicators (the basic right to food, shelter, health, drinking water, the right to education and development, etc.) which developing countries considered to be of high priority were not used at all. Paradoxically, it was precisely those rights that directly related to UNDP's mandate which had been ignored in the human freedom index.

(Mr. Hama, Algeria)

87. Furthermore, the ranking had been made on the basis of data from 1985. The world, and particularly the developing world, had changed profoundly since that time, especially with regard to human freedom. Almost all developing countries had in the late 1980s and early 1990s undergone profound political upheavals which had started them on an irreversible process of increased democratization and protection of human freedom. Publication of that ranking was not the best way of welcoming the efforts being made by developing countries and encouraging them to continue on that path.

88. Mr. AYEWAH (Nigeria) said that in spite of numerous worldwide challenges, UNDP had remained steadfast in its responses to virtually all human needs in its areas of operation and was gradually bridging the gap between developed and developing countries, something that the stalled North-South dialogue had been unable to do. It continued to develop into a sort of umbrella that shielded the underprivileged, and justified its mandate by effectively expending donors' contributions to benefit people at the grass-roots level.

89. The Human Development Report 1991, which fully justified the principle that people were the actual target of development, added a new dimension to development efforts. Everyone now accepted that human development was clearly possible. Now, more than ever, perhaps efforts would be made to adequately address poverty reduction, environmental degradation and women in development. Nigeria was categorically opposed to any suggestion that would link the granting of technical assistance to any human freedom criterion. The Administrator had given his assurance that it was not appropriate for UNDP to condition assistance on such a basis.

90. In order to halt the emigration of specialized personnel, which was not a problem peculiar to Nigeria, the Federal Government had recently introduced better working conditions for some categories of workers and similar measures providing incentives would be taken soon in other sectors of the economy. Mention should be made of the African capacity-building initiatives. Nigeria intended to take full advantage of that mechanism for enhancing participatory development. His country noted with satisfaction that the fifth programming cycle was making giant strides towards implementation and hoped to derive maximum benefit from the $109.8 million allocation earmarked for Nigeria together with the national rolling plan for development designed to complement bilateral and multilateral inputs.

91. He was hoped that the crises that had come about in Liberia, Mozambique, Ethiopia, the Sudan and some of the front-line States and had caused the displacement of persons could be speedily resolved. The bold initiatives taken by UNDP in responding to the overwhelming array of challenges were encouraging.

92. The question of support costs, which was currently under consideration, should be resolved in a satisfactory manner in accordance with the emerging tripartite arrangements among the executing agencies, the recipient countries

(Mr. Ayewah, Nigeria)

and UNDP. Referring to another major issue, he stressed the need to delegate authority to the resident representatives through gradual decentralization of project delivery so that they could make meaningful decisions that would reach more people at the grass-roots level.

93. Lastly, in order to enhance the effectiveness of the executing agencies and funds, such as the United Nations Fund for Population Activities (UNFPA), the United Nations Children's Fund (UNICEF), the World Food Programme (WFP), the International Fund for Agricultural Development (IFAD) and the World Health Organization (WHO), cooperation should be further developed among them, which would complement the activities of UNDP as the unique organization that it was.

94. Mr. MOHIUDDIN (Observer for Bangladesh) said that the United Nations was at a crossroads in history where there were many challenges, but also opportunities to promote cooperation. The situation of the developing countries, particularly the LDCs, which were prey to numerous social, economic and ecological problems further aggravated by the consequences of the Gulf war, was very alarming. Many developing countries had initiated a process of economic reform which was politically difficult and socially destabilizing. The need to increase resource flows to those countries to enable them to continue the development process and strengthen their democratic institutions could not be overemphasized. They must be provided with the necessary means to ensure economic growth in order to alleviate poverty and improve their economic, social and ecological situation.

95. As a result of the end of the cold war, it should be possible to make technical cooperation an effective instrument for development. Despite progress made, development had proved to be an elusive goal. Hence the need to search for approaches that were self-sustaining, equitable and ecologically sound and involved all segments of society in development. In accordance with Governing Council decision 90/34, which his country had supported, the Council should concentrate its efforts on the following six areas: poverty eradication and grass-roots participation in development, environmental problems and natural resource management, management development, technical cooperation among developing countries, transfer and adaptation of technology for development, and women in development. In that context, he emphasized that UNDP must maintain its universality, neutrality and the benevolent orientation of its cooperation, which must be in accordance with the priorities and national conditions prevailing in the developing countries. National execution was an essential element for helping developing countries achieve self-reliance. The national institutions which UNDP had been instrumental in setting up over the years should make it possible to use that modality to build national capacities. Bangladesh supported the full implementation of General Assembly resolution 44/211 and felt that it would be useful to strengthen the capacity of UNDP field offices to support the increased number of projects under national execution, intensify training courses to strengthen the capacity of Governments for national execution, give

(Mr. Mohiuddin, Observer, Bangladesh)

greater authority to the field offices through decentralization so that resident representatives could decide on the modalities for national execution of projects, and simplify the procedures for reporting, financial rules and so forth. His country also supported the programme approach based on national plans, objectives and priorities. By placing emphasis on sectoral, subsectoral and thematic links between diverse activities, the effectiveness of UNDP activities in the developing countries could be increased.

96. After the general election in February 1991, democratic government had been restored in Bangladesh and the fourth five-year plan focused in particular on self-reliance, increased efficiency, poverty alleviation and employment generation through human resource development. Faced with immense socio-economic problems, which were aggravated by the consequences of the Gulf war, Bangladesh was again undergoing a very difficult situation. The cyclone that struck the country in April 1991 had left 140,000 people dead and caused considerable material damage in 16 districts. The Government and people of Bangladesh were grateful to the world community for the speedy support that had been provided. The need to sustain that support had been underscored by the Secretary-General in his appeal and by the General Assembly. An inter-agency task force was currently preparing with the Government a report on the necessary medium- and long-term assistance for rehabilitation and reconstruction in the areas devastated, which would be submitted to the Economic and Social Council at its second session. Bangladesh therefore was fully aware of the need for a well-coordinated United Nations response to any emergency situation.

97. Lastly, in accordance with the Paris Programme of Action for the 1990s, the international community must support the efforts of the 42 least developed countries to solve their gigantic problems. The allocation of 55 per cent of IPF for the LDCs was a step in the right direction. The Special Measures Fund for the LDCs and capital development funds should also be strengthened.

The meeting rose at 9.15 p.m.

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Held at Headquarters, New York,
on Wednesday, 12 June 1991, at 10 a.m.

President: Mr. PIRIZ-BALLON (Uruguay)

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The meeting was called to order at 10.15 a.m.

PROGRAMME PLANNING

(a) COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

1. Mr. NOUR (Assistant Administrator and Regional Director, Regional Bureau for Arab States and Europe) said that consideration of UNDP's response to the historic events in Europe in 1989 and 1990 presented an opportunity for the Governing Council to provide guidance on the policy issues raised by a significant group of long-standing recipients whose situation and need for technical cooperation had radically changed.

2. A cluster meeting of the small team working on UNDP programmes in Europe at the country level and at headquarters within the Regional Bureau for Arab States and Europe had been held at Geneva in April 1991, together with officials from the relevant thematic divisions of UNDP. An outline had been developed and shared with all the European indicative planning figure (IPF) countries, the specialized agencies of the United Nations development system and several other multilateral funding agencies - the World Bank, the Commission of the European Community and the recently created European Bank for Reconstruction and Development (EBRD). All had responded enthusiastically to the idea of a people-centred approach to the European economies in transition.

3. The Administrator had made visits to almost all the countries concerned one year earlier, and had held discussions with policy makers at the highest level. Shortly before those visits, he himself had led a high-level mission to Poland, Hungary and Czechoslovakia, which had enabled the Regional Bureau to identify the areas which had then appeared to be the top priorities in the complex and still evolving situation.

4. The Regional Bureau had faced other challenges over the past year. It was still providing technical support to countries in all parts of the region, both Arab and European, which were facing some of the most complex, exciting and, for the time being, devastating developments in recent history. More than one half of the countries with which the Regional Bureau dealt were in a state of crisis; almost all the others were undergoing profound societal change. He paid tribute to the small team of professionals, both in the field and at headquarters, who had devoted their skills and time to developing new ideas and approaches. Without additional resources or staff and, in most cases, without a country presence, the team had demonstrated what could be achieved and why technical cooperation, particularly through UNDP, was so relevant to the processes of economic, social and political transition.

5. Drawing attention to the informal conference room paper which was before the members of the Council, he said that the Regional Bureau covered recipients ranging from some of the largest of the least developed countries to the wealthiest of the oil-producing developing countries. As part of UNDP,

(Mr. Nour)

which was committed to the least developed and the lowest-income countries, the Bureau was convinced that its contribution to the transition in Eastern Europe must be made without diverting core resources or management attention from the countries under its mandate.

6. In order for those initiatives to be sustained, there was a need for additional programme and staff resources. The approach which the Regional Bureau had adopted was in line with the Charter of the United Nations, in that it promoted mutual understanding among countries rather than encouraging competition for limited and often insufficient resources.

7. Mr. WHALEY (Deputy Regional Director, Regional Bureau for Arab States and Europe) said that the Regional Director had just referred to the main challenge which the Regional Bureau had faced over the past year, namely, the need to respond to an appeal for critical technical support for reform processes without contributing to the diversion of resources from the least developed and lowest-income countries. The UNDP commitment to those countries was reflected in the approach which the Bureau had adopted in response to the changes taking place in Central and Eastern Europe.

8. The main responsibility for the Regional Bureau's activities fell upon the five headquarters officers who constituted the field office team for Albania, Bulgaria, Czechoslovakia and Hungary, as well as Malta and Portugal; the somewhat isolated Resident Representatives in Poland and Yugoslavia; and the small teams in Turkey and Cyprus.

9. A clear message had emerged from the seminar of privatization agencies of the subregion held in November 1991. All the participants had declared their conviction that multiparty democracy, diverse and principally private ownership of the means of production, and broad participation in decisions concerning both resource allocation and the access to and management of services constituted inseparable elements of a market economy. They were designed to release the energies, the imagination and the risk-taking capacity of individuals in the interest of a better society for all.

10. It had given him great satisfaction to visit the small, cost-effective, new UNDP office at Warsaw and to observe a group of Polish nationals who were responsible for redesigning UNDP work in Poland. As he spoke, another historic event was taking place: the UNDP Resident Representative-designate in Albania, a country which for years had expressed no interest in having a UNDP field office, was inaugurating the UNDP presence there.

11. He had also participated as an observer in a meeting of policy makers from Central and Eastern Europe, and Latin America and the Caribbean, held at Vienna in March 1991 under the auspices of the Economic Commission for Europe (ECE), the Economic Commission for Latin America and the Caribbean (ECLAC) and UNDP. The representatives of the regions had compared notes on such issues as export promotion, marketing, exchange-rate policy,

(Mr. Whaley)

measures to encourage foreign direct investment, inflation control, industrial strategy, price stabilization and subsidies.

12. At a recent colloquium held at Algiers, the growing confrontation between the South and the East had been transformed into greater mutual understanding, based on improved knowledge of the facts and the recognition that resources and knowledge still flowed from the East to the West as well as from the South to the North.

13. Lastly, he had presided over the cluster meeting held at Geneva in April 1991, at which the ideas arising from close consultation with Governments had been warmly welcomed and endorsed by all.

14. The informal conference room paper on technical cooperation in the transformation and recovery of European economies in transition described the role of UNDP before the events of 1989. While the cooperation programme had been exemplary in many ways, it was uncertain whether the overall economic and social environment had allowed it to have a major impact on the lives of people in general. The dividends of institutional capacity had certainly not been fully realized. Nevertheless, with its emphasis on networking among centres of technological excellence in the subregion and beyond, and its involvement of key technicians, the programme had provided the kind of support and encouragement which only a universal, neutral body could have offered at the time.

15. The paper focused on the response of UNDP to the new situation. UNDP had drawn on the principles of human development and had placed people at the centre of the process. In doing so, it had generated a series of new approaches and methodologies which had been experimentally implemented over the past year. UNDP was focusing its policy-oriented technical cooperation on five broad and interrelated programmes: the human dimension of transition; the development of the management skills and systems required by all types of institutions so that they could operate in a competitive international market economy; the expansion of opportunities through the establishment of an enabling environment and mechanisms to encourage the emergence and dynamic involvement of both the domestic and the international private sector; the design and implementation of sustainable development policies with a particular focus on the measures required to tackle the acute problems of environmental pollution; and the exchange and flow of information, people and goods through more reliable and accessible communication facilities.

16. Those elements constituted the basis for an overall strategy. Together they defined broad areas of priority and ensured appropriate linkages between specific activities and institutions at the country level, among external partners and among the countries of the subregion. They had provided the basis for an innovative approach to the Regional Bureau's programming exercise for the fifth cycle: using the core resources as seed money for designing and launching a series of interlinked national and regional activities which would be presented to the Council in June 1992. They had also made it possible to

(Mr. Whaley)

identify the need for well-structured networking among national agencies and the intensive use of mechanisms such as the Transfer of Knowlege through Expatriate Nationals (TOKTEN), United Nations Volunteers (UNV) and United Nations Short-term Advisory Resources (UNISTAR) programmes to provide hands-on advice and bring the direct experience of the market to bear on management in a totally new environment. UNDP was helping major bilateral and multilateral funding agencies to make the critical link between complex microdemand and their available, but still largely untapped, macrofunding.

17. In order to translate that strategic programme approach into operational reality, financing and high-quality personnel were needed. That could be achieved by channelling some of the resources already earmarked for the European economies in transition through UNDP, in order to fund specific activities.

18. What the Regional Bureau needed from the Council, in addition to guidance, was an endorsement of its overall approach, encouragement to undertake the appropriate development exercise and to continue to mobilize resources in an appropriate manner, and the allocation of the administrative budget and Special Programme Resources in accordance with the thematic thrust of its initiative.

19. Mr. JASINSKI (Poland) said that his delegation fully supported the approach outlined in the informal conference room paper. The Deputy Regional Director had referred to the useful meetings held at Vienna and Algiers, at which representatives of Arab and Latin American countries had discussed the challenges and opportunities for international cooperation arising from the process of transformation in Central and Eastern Europe. The discussion had confirmed the basic principles underlying UNDP activities, as embodied in the 1970 Consensus. His country was grateful for such support and encouragement of its efforts, which would determine the success or failure of the attempted transformations. It was satisfying to note that a spirit of constructive contribution prevailed within the UNDP Administration, both in the field and at headquarters, and he looked forward to increased cooperation with the Administration and the executing agencies.

20. Mr. BAICHEV (Bulgaria) said that the euphoria which had accompanied the profound democratic changes in Central and Eastern Europe in 1989 had gradually given way to a more sober assessment. His delegation agreed that the transitional period would be longer and would require far greater efforts than originally envisaged, and that substantial support would be needed from the international community. His country's experience of transition to a market economy confirmed that view. The crisis of the national economy was the legacy of a strongly centralized system which for decades had favoured heavy industry, distorted prices and suppressed market forces, leading to overall imbalances and excessive internal and external debt. Close trade links with the members of the Council for Mutual Economic Assistance (CMEA) had provided a market for the manufacturing sector, but at the same time, they had insulated the country from international competition.

(Mr. Baichev, Bulgaria)

21. While momentous political and economic changes had been initiated in 1989, they had not been introduced as an integrated package, and by 1990 the economy had been at an intermediate stage. With the erosion of the centralized planning and management system, neither the plan nor the market had governed the economy. The result had been a severe deterioration in Bulgaria's terms of trade, aggravated by an adverse external environment. The Middle East crisis had made a strong direct and indirect impact on the country. In 1990, output had fallen by more than 10 per cent, and a further sharp decline appeared to be inevitable.

22. Against that background, a strong consensus had emerged for addressing macroeconomic imbalances and implementing fundamental reforms. The programme for 1991, which had received international support, had two central aims: to end the chronic excess demand and stabilize the economy within a new macroeconomic framework, and to take essential steps towards the adoption of market mechanisms. The specific targets of the programme were, first, to prevent the further decline of the economy, which was, however, inevitable for the first half of 1991, and to strive for a progressive recovery in the second half of the year; secondly, after initial sharp corrective adjustments, to reduce rapidly the rate of inflation in the last six months of 1991; thirdly, in accordance with those objectives, to limit the external deficit.

23. No efforts were being spared to bring the transition process to a successful conclusion and to integrate Bulgaria fully into the world economy. The process of fundamental social and economic change was well under way, and a constitution was in preparation. Bulgaria was holding broad discussions with the international monetary, trading and credit institutions. It had recently become a member of the International Monetary Fund (IMF) and the World Bank, and the procedure for its accession to the General Agreement on Tariffs and Trade was in progress.

24. In that connection, his country attached particular importance to UNDP as a universal body concerned with the organization and funding of multilateral technical cooperation, which Bulgaria considered to be vital in the transitional period. His delegation fully shared the view that there was a need to identify the mechanisms whereby UNDP could mobilize resources additional to the core funds, in order to assist in solving the economic and social problems which the Central and Eastern European countries were facing in their transition. It was to be hoped that the Governing Council would give the requisite mandate to the Administrator. He appealed to all members of the Council, both donor and recipient countries, to express their views on that subject. Lastly, it should be noted that, in order to be successful, such activity should be carried out in close cooperation and coordination with other international organizations, such as the World Bank, EBRD and IMF.

25. Mr. POPESCU (Romania) said his delegation was grateful that UNDP was breaking new ground in helping the European recipient countries to move from centrally planned to market-driven economies. It had been satisfying to learn

(Mr. Popescu, Romania)

that Eastern Europe had been the major focus in 1990 with regard to private-sector development, and that the Regional Bureau for Arab States and Europe had been strengthened through the merging of existing posts into a division for Europe and the appointment of a division chief.

26. His delegation also appreciated the intiative taken by the Administrator to convene a meeting in April 1991 to examine the role of UNDP in Eastern Europe and to respond to the technical cooperation needs of the countries in transition. He welcomed the willingness shown by the European Community and EBRD to collaborate with UNDP in management and entrepreneurship development and in environmental management.

27. The transformations taking place in his country, as in the other European countries in transition, required international support and increased UNDP assistance. UNDP had the mechanisms and the experience to provide critical technical support in the difficult current phase of Eastern European development; however, it did not have adequate staff or funding to implement the appropriate strategy. He appreciated the fact that, as shown by the informal conference room paper, UNDP was taking the initiative of exploring ways to mobilize additional external resources, with the understanding, however, that such resources must not divert funds or attention from the most needy of the developing countries.

28. His delegation supported the proposed strategy and programme, which took into account both the needs of the countries in the region and the reduction of the country programme IPFs and the regional programme for those countries - in Romania's case, by 20 per cent. He also supported the proposed funding mechanisms referred to in the paper. His Government was very interested in cooperation for the purpose of cleaning up the Danube River basin and the Black Sea. On the basis of the Bucharest Declaration of 1985, steps would be taken to work out a legal framework and mechanisms for protecting the Danube River against pollution. His country had offered to host a meeting of ministers of the Danube countries in 1991. Romania had also signed a convention on the protection of the Black Sea against pollution, and was determined to safeguard its marine environment and living resources.

29. Mr. ŠUCHMAN (Observer for Czechoslovakia) expressed his delegation's appreciation to UNDP for its efforts to respond to the development challenges facing countries in Central and Eastern Europe, and endorsed the programme strategy for Europe outlined in the informal conference room paper and its intended focus on human development in the transition process. The unique situation in the Eastern European countries provided an opportunity for UNDP to demonstrate its comparative advantage as a coordinator and provider of technical assistance through multilateral channels. The five interrelated programmes for the region constituted an important element of UNDP strategy for the 1990s, and demonstrated its commitment to building national capacities. Further attention for the issues of the human dimension of transition and the development of management skills and systems would promote understanding of the situation in the subregion as a whole.

(Mr. Šuchman, Observer, Czechoslovakia)

30. The programme approach outlined in the informal conference room paper reflected adjustments in a number of regional projects initiated at the beginning of the fourth programming cycle in 1987, particularly with respect to the development of the private sector. The sustainability of project networks was a significant indicator of the effectiveness of UNDP regional projects. His delegation hoped that the next UNDP programming cycle for Europe would include transition projects on applied statistical computing, the restructuring of the agricultural sector, and the privatization network.

31. Technical and financial assistance to the Eastern European countries should be provided through separate channels from those for aid to developing countries, and he welcomed efforts to secure financing from such outside sources as the World Bank, EBRD and the European Economic Community (EEC). UNDP's collaboration with the Global Environmental Facility was an example of the Programme's active approach to global and regional environmental problems.

32. His country wished to play an active role in the preparation of the fifth regional programme for Europe, and was prepared to host a high-level UNDP task force meeting in October. In conclusion, he expressed his delegation's appreciation to the staff of the UNDP Regional Bureau for Arab States and Europe for its valuable assistance.

33. Mr. PETTITT (United Kingdom) endorsed UNDP's response to the needs of the Eastern European countries in transition, and welcomed its innovative approaches to programmes and to the mobilization of resources, including its use of such modalities as the TOKTEN, UNV and UNISTAR programmes.

34. With regard to the observation that the familiar bilateral contacts in the field of technical assistance were not available for programmes in Eastern Europe, he pointed out that access was available to a United Kingdom know-how fund which was additional to his country's development assistance to developing countries. His delegation, as a member of UNDP and EBRD, favoured cooperation between the two, and believed that UNDP also should coordinate its efforts with other organizations that provided technical assistance in Europe, including the Organisation for Economic Cooperation and Development (OECD) and EEC.

35. Mr. KÄÄRIÄ (Finland) said his delegation believed firmly that the financing to meet the needs of the Euroepan economies in transition should be additional to traditional development cooperation. A preliminary review of the informal conference room paper before the Council suggested that the general approach to the situation had been carefully thought out.

36. Every precaution must be taken to ensure that core resources and management attention were not diverted from the needs of the least developed countries and UNDP's traditional programmes. Further information was needed on how the additional resources required would be provided in the short term.

(Mr. Kääriä, Finland)

His delegation wondered whether the programmes undertaken in the Eastern European countries were of sufficient scope to justify the proposed threefold increase in UNDP's representation in those countries.

37. Mr. NISSEN (Observer for Norway) said that it was not easy to have a constructive debate on a document which had been made available only at the beginning of the meeting.

38. Although UNDP acknowledged that the resources required to assist the Eastern European countries should come from additional external funds earmarked by the donor community, he was concerned at the possible impact on UNDP's regular resources. The proposal to increase UNDP staffing for several Eastern European countries should be carefully studied in the Budgetary and Finance Committee. His delegation also questioned the realism of the target for co-financing set out in the informal conference room paper, since it would affect the manner in which UNDP managed its internal resources.

39. Mr. MLLOJA (Observer for Albania) said that his delegation was deeply grateful to th Regional Director and the Deputy Regional Director for their approach to the problems faced by the European countries in transition, and particularly appreciated the appeal for help to his country. The response of UNDP was extremely timely. His delegation was confident that the informal conference room paper would receive the strong support of other delegations.

40. Mrs. DUDIK GAYOSO (United States of America) congratulated UNDP on the speed and imagination with which it had responded to the needs of European economies in transition. The informal conference room paper was of a high quality, and a preliminary assessment of it suggested that UNDP and the Governments concerned were focusing on appropriate issues. The report on the Management Development Programme (DP/1991/12) showed that UNDP could help countries in the region obtain access to the technology, information and expertise they would need. Her own country was financing a programme in Poland for the provision of advisory services.

41. It was extremely important that UNDP should coordinate its efforts with those of the World Bank, EBRD and IMF. Her delegation also agreed that assistance to the countries of Eastern Europe should not be provided at the expense of resources allocated to the developing countries. The United States looked forward to further consideration of UNDP's role in assisting the countries of Eastern Europe when it came time to review individual country programmes and the regional programme for Europe. The question should be placed on the agenda of the first inter-sessional meeting of the Standing Committee for Programme Matters.

42. Mr. FONDI (Italy) said that the contribution of UNDP to the countries of Eastern Europe was extremely valuable, not only from the technical standpoint, but also by virtue of its focus on the human dimension of the transition they were undergoing. His Government would thoroughly review all the information in the informal conference room paper.

43. Mr. SAHLANN (Germany) said that UNDP's work in support of the European economies in transition should not jeopardize UNDP aid to developing countries. Additional resources were required. As time went on, further attention should be focused on UNDP's role in the development of management skills and systems to support the economies in transition.

44. Mr. AFANASIEV (Union of Soviet Socialist Republics) exressed his delegation's appreciation for the high quality and professionalism characteristic of UNDP's work in cooperation with the countries of Eastern Europe. The informal conference room paper showed that UNDP and the Governments concerned had altered priorities to facilitate economic reforms during the transitional period. The possibility of establishing a separate division to deal with the countries of Eastern Europe merited further discussion. His delegation recognized that the programmes to be implemented by UNDP in Eastern Europe would not affect UNDP assistance to the primary recipients of UNDP aid. The work to be undertaken with respect to information systems, infrastructure and the protection of the environment would be of benefit to all of Europe.

45. Mr. WHALEY (Deputy Regional Director, Regional Bureau for Arab States and Europe) said that he was pleased with the response to the informal conference room paper he had introduced. He welcomed the growing consensus that there was a place for technical assistance in general, and for UNDP in particular, in Central and Eastern Europe, provided that the relevant policy issues were correctly addressed.

46. As to the late submission of the informal conference room paper, he noted that his office would have preferred to have the document available sooner, but did not have the resources and staff to do so. At the same time, the document had been generated fairly late in order to include as much information as possible on UNDP's consultations with delegations from Eastern Europe participating in the Council's deliberations.

47. The Regional Bureau had held very useful consultations, on an ongoing basis over the past year, with funding partners, including EBRD, the World Bank, IMF and EEC. Those consultations had laid the basis for dynamic and harmonious relations with each of those institutions, some of which had already indicated their willingness to provide additional funding for the activities UNDP had identified.

48. As an example of the kind of multiplier effect which such resources could have, he cited the River Danube Water Quality Protection Project, through which UNDP had been helping several countries for many years. The evolution under way in Europe provided an historic opportunity to address the Danube's pollution problems in a concerted manner, with the cooperation of Eastern and Western European countries alike. As a result, UNDP, in cooperation with the World Bank and the United Nations Environment Programme (UNEP), and in full consultation with other organizations, had generated the approval, through the Global Environmental Facility, of an additional $US 10 million for pollution

control in the Danube, to be added to $US 4 million from UNDP core resources. The latter figure had resulted from a Council decision to reduce resources for regional programmes in Europe by some 60 per cent.

49. With respect to the comments on the staffing proposals for the Regional Bureau, he noted that the proposals before the Budgetary and Finance Committee called for 9 or 10 Professionals, whereas in 1987, when UNDP programmes in Europe had not required as much back-stopping and management input, there had been 11 Professionals on the staff. There was a clear need for a UNDP presence in countries where it had programmes under way, and that was equally true in the countries of Central and Eastern Europe now that UNDP's presence was specifically requested.

50. The introduction of the theme of the human dimension of transition was encouraging. Currently, UNDP was co-sponsoring, together with the World Bank, a six-week seminar in Prague for senior macroeconomic policy makers in Central and Eastern Europe. Some of the members of the team that had prepared the Human Development Report 1991 would conduct a special session at that seminar on the role of human development in macroeconomic policy-making and in the management of the economic transition process. Of course, the concept of human development went beyond the scope of Central and Eastern Europe to encompass all economies in transition.

51. Although the Governing Council's debate had represented only a preliminary approach to the subject, he looked forward to further exchanges with the Governing Council and visits to Central and Eastern Europe and to donor countries, to ensure that the initiatives already taken were adequately followed up.

52. The PRESIDENT said that if he heard no objection, he would take it that the Governing Council wished to take note of the report of the UNDP Administration, together with the comments and proposals thereon.

53. It was so decided.

SPECIAL PROGRAMMES OF ASSISTANCE

(a) AFRICA-RELATED MATTERS (DP/1991/16-18; DP/1991/L.5)

54. Mr. DAMIBA (Assistant Administrator and Regional Director, Regional Bureau for Africa) said that the final review of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 was under way. It was clear that if Africa was to experience real recovery and sustainable development in the 1990s and beyond, African countries must work with their development partners towards concrete objectives within a longer-term framework, with particular emphasis on the problem of debt and the need to restructure their economies. The Administrator's report on the UNDP role in the implementation of the Programme of Action (DP/1991/16) indicated,

(Mr. Damiba)

among other things, that UNDP had nearly doubled its assistance to Africa in the fourth cycle. However, in view of the remaining challenges to be faced, UNDP must continue to work to strengthen national capacities and to prepare long-term studies and programmes to guide the development of African countries into the next century.

55. The previous decade had been a very difficult one for Africa, as the continent had witnessed declining incomes, erosion of the gains made over the preceding two decades in education, health and transportation, and, in several cases, unprecedented drought, famine and internal and transboundary conflicts. On the other hand, since 1988 the overall growth rate of the region's gross domestic product had kept pace with population growth, and more than half of Africa's countries (excluding areas in emergency situations) had experienced positive real growth rates. The year 1990 had been the third successive year of improved food production in the region, and more than 30 countries continued to implement structural adjustment programmes. However, the remaining challenges of African development would continue to require UNDP to play a vital role in working towards sustainable development in African countries.

56. One such challenge, which also represented an opportunity, was that of Africa's rapid demographic growth, which would necessitate greater emphasis on serving the development needs of ordinary people. It would also necessitate measures to speed up economic growth, assistance to Governments in the implementation of population-control policies, and support for regular national censuses as a basis for development planning. The wave of political transformation sweeping across sub-Saharan Africa presented another major challenge by creating the need to direct the democratization process away from anarchy and towards popular participation in national decision-making and development. While development agencies were non-political, they nevertheless had a role to play in strengthening civil society through their support of non-governmental and grass-roots organizations, as well as in building the administrative capacity to formulate, implement and monitor socio-economic policies and programmes.

57. Prior to the 1980s, African economies had been characterized by rapid expansion of the public sector, an over-regulated economic system relatively uninfluenced by market forces, and a tendency to place an unfair tax burden on the productive sector. Currently, however, most African countries were opening their domestic economies to the interplay of market forces, and economic reforms were under way in some 33 countries. Such reforms must be carefully planned, since premature liberalization, adjustment without adequate regard to social dimensions and national capacity-building, the pursuit of traditional primary exports, and unbridled imports would not result in long-term transformation. The role of UNDP was to help African countries to create enabling environments which would release the creative energies of the people in building an economy which was sustainable and indigenized, which took into account the socio-cultural impact of economic change, and which

(Mr. Damiba)

allowed the interplay of market forces to determine the allocation of resources.

58. The well-known environmental challenge was another priority for Africa, since its development would depend on the protection and preservation of the environment for future generations. The final major challenge for the 1990s was the need for regional cooperation and integration. African development had been constrained by the continent's fragmentation into small countries and markets, because many of the development challenges it faced had transboundary or regional dimensions. For example, environmental problems such as desertification and river-basin development went beyond the limits of the artificially established national boundaries; domestic conflict in any one country inevitably affected the economies of neighbouring countries; simultaneous production of primary commodities led to an oversupply on the world market and subsequent declines in prices; and the markets of many African countries were too small to sustain viable industrialization based initially on domestic markets. In fact, with a total continental income of approximately $340 billion - that of a small Western European country - Africa's fragmentation into 51 politically independent countries pursuing individual economic policies was nothing short of suicidal. African development could only succeed on an integrated, long-term, sustainable basis. Existing intergovernmental organizations therefore required thorough review and rationalization, and those deemed to merit support would require adequate funding and the mechanisms and capacities they needed to function effectively.

59. While the challenges of the 1990s would require concerted efforts by the African people, by their Governments and by donors, Africa itself remained primarily responsible for its own development. The African crisis had produced a growing consensus on a number of critically important ideas: that development was a long-term process of structural transformation which should not be subordinated to short- and medium-term reforms or adjustment requirements; that development strategies must be human-centred, since people were the means and the end of development; and that policies which encouraged and supported the creative energies of the people were critical for ensuring sustainable development.

60. Capacity-building was the foundation for sustainable development. The quality and quantity of human resources and the production structure of a country ultimately determined its ability to grow on a sustainable basis. Environments conducive to the development of local skills were therefore essential, as was the ability of the countries concerned to define their own policies on the basis of their own perception and understanding of their economic, political and social circumstances. That ability, in turn, could only be developed in a suitable socio-political environment, created through improved governance, more openness, a freer exchange of information and an incentive system based on performance.

(Mr. Damiba)

61. There was a pressing need for a long-term development vision for Africa, which must be shaped not by a select few, but by the whole society with a clear understanding of its role and direction. Reform measures and adjustment policies must fit into and contribute to the imperatives of the long-term vision. Although emergency management capabilities would have to remain a major focus in at least six African countries, all such short-term measures should be guided by long-term policies and programmes. The participation of such entities as non-governmental organizations, trade and farming associations, universities and opposition groups in the process of articulating that vision was essential for building social and political cohesion and development.

62. In sub-Saharan Africa, previous UNDP-supported activities to correct critical capacity shortages had not had the desired impact. UNDP must therefore respond strategically, drawing upon the lessons of the past in working to create key capacities which were self-sustaining and which could influence the pace and direction of economic and social development. In the context of the efforts of the Regional Bureau for Africa to strengthen national capacities to articulate and develop a long-term development vision, to define key policies and programmes and to manage development resources effectively, a number of activities had been undertaken in collaboration with the Economic Commission for Africa, the African Development Bank, the World Bank and other donors. Those activities included National Long-Term Perspective Studies and Programmes, which sought to help African countries to prepare long-term development frameworks; the revitalization of development planning in Africa to ensure compatibility between short-term constraints and long-term imperatives; the African Capacity-Building Initiative, which focused on building local capacities for policy analysis and development management; and round-table meetings and National Technical Cooperation Assessment and Programmes to assist Governments in improving aid coordination and management of development resources, particularly technical cooperation. All of those initiatives, which sought to enable Africa to shape and manage its own destiny, were mutually reinforcing and were designed to be complemented by related activities at the country level. In addition, all were designed to facilitate donor coordination through a policy dialogue on development issues.

63. The enormous challenges of African development should be viewed as opportunities for UNDP to help Africa, in a true spirit of partnership, to address its demographic, democratic, liberalization, environmental and economic integration issues. Above all, Africa must define its own long-term vision, rooted in human-centred development and based on its cultural values, and must develop its capacities to define its own policies and manage its own development.

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1990 AND PROGRAMME-LEVEL ACTIVITIES (continued) (DP/1991/10 and Add.1-4, DP/1991/11-15, DP/1991/57, DP/1991/68 and DP/1990/77)

64. Mr. DRAPER (Administrator), responding to points raised during the general debate, said that his annual report (DP/1991/10 and Add.1-4) was intended to show how UNDP had evolved to adapt to significant changes in the world situation and in the perception of technical cooperation. The general debate had yielded stimulating comments on the Human Development Report 1991. In evaluating that document, it must be recognized that no intellectual enterprise was without risk, and no uniformity of opinion was possible on basic issues involving development policy. The strength of the report's analysis lay in its professional honesty, and it should therefore be discussed in a spirit of constructive cooperation.

65. There was broad-based agreement on the report's basic message that people must be at the centre of all development. A number of delegations had praised the important contribution of the two issues of the report to translating that message into practical development strategies and policy options. However, he was deeply concerned that the Governing Council's attention had been diverted from the report's main policy messages by disagreement over the issue of the human freedom index.

66. Human development had been defined as a process of enlarging the range of people's choices. Those choices included not only income, but also better health, more education, a cleaner physical environment, personal security, community participation, and personal and political freedoms. Since that process clearly required the freedom to make such choices, freedom was an integral part of the concept of human development, and questions about the measurement of human freedom should not be allowed to invalidate that definition.

67. However, in the interest of preventing the report's professionalism from being jeopardized by biased or imperfect indices, the concerns which had been voiced about the human freedom index must be addressed. In its statement, the Group of 77 had noted that there were a number of instruments that embodied notions of freedom which were generally accepted by the international community, and that those instruments should have been the central resource for developing any universal freedom index. However, all of the 40 indicators on which the index in the current report was based had been distilled from the Universal Declaration of Human Rights and the International Convenant on Civil and Political Rights. For the purposes of the human freedom index, article 12 of the Universal Declaration, which provided for protection against arbitrary interference with individual privacy, had been interpreted to include protection of the right to homosexuality between consenting adults. Although some delegations had seen that interpretation as a cultural bias, it would be unfair and unreasonable to use that example to cast doubt on the validity of the entire index, since the weight of that indicator in the index was only 2.5 per cent.

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68. Clearly, the human freedom index would require considerable refinement and updating, as in the case of the previously established human development index, which was beginning to gain international acceptance. For example, it might be possible to distil a few political indicators on which there was universal agreement, or to consider some basic economic and social freedoms which many delegations had stressed. There was also a need to develop objective criteria to measure each indicator, and the entire process must be made more transparent so that it could be improved over time through further analysis. Finally, the data used in the next report's human freedom index must be updated, since profound changes had occurred since the elaboration of the current index in 1985. The Human Development Report was intended to be responsive to the concerns of the entire development community, and he would therefore continue to seek advice through informal consultations at the national, regional and international levels. However, he reiterated that the validity of the report depended on its independence and intellectual integrity, and that it was intended to express the views of the team that prepared it, not a consensus within UNDP, its Governing Council or Governments.

69. The Group of 77 had pointed out the importance of examining, in the next Human Development Report, how the external environment affected human development levels in the developing world. Work along those lines had already begun, and that aspect of development would receive a good deal of analysis in future issues.

70. Concern had been expressed that aid allocations might become conditional on human freedom. The Programme did not favour such conditionality, did not recommend it to others, and would not apply that practice itself. Some delegations feared that a high ranking on the human development index might go against them in aid allocations; that was a gross misunderstanding. What mattered for policy dialogue was the rate of change in human development and the rate of human progress, not just the level of human development at a particular time.

71. The Human Development Report was not perfect and was not meant to annoy any country or to embarrass any constituency. Its objective was to stimulate a dialogue on people-centred development strategies and to offer realistic options to policy makers.

72. The European Community, the Group of 77 and the Soviet Union had all stressed that the International Development Strategy for the Fourth United Nations Development Decade should be supplemented by other international agendas, including the Declaration adopted by the General Assembly at its eighteenth special session, the World Declaration on the Survival, Protection and Development of Children and the Plan of Action for its implementation, and the Programme of Action for the Least Developed Countries for the 1990s. Reference had been made to those documents in the annual report for 1990, and UNDP would respond to them within the terms of its mandate.

73. Some delegations had cautioned that UNDP should not diversify its activities into areas where it did not have a clear mandate or a comparative advantage. That point had been made with particular reference to the Programme's work with displaced persons and in the private sector. With respect to displaced persons and refugees, he shared the concern that the roles and coordination of the various United Nations organizations involved should be clear and authoritative, and agreed that UNDP should be the bridge-building organ for the continuum from relief to development. Meanwhile, however, there was urgent work to be done, and UNDP was on the spot with its field network.

74. While UNDP had not received an explicit mandate from the Governing Council to pursue a programme of activities that would enhance the private sector's role in development, an increasing number of developing countries had assigned a central role to the private sector in their development strategies. The Programme's activities in the area of the private sector were fully in line with General Assembly resolution 45/188 on entrepreneurship, which explicitly recognized and supported the participatory role of entrepreneurs in the development process in partnership with Governments. Moreover, enhancing the role of the private sector in development was consistent with the Programme's participatory development strategy. The overriding objective of all UNDP activities related to the private sector was the creation of a more favourable and predictable economic environment in which entrepreneurs and investors would be encouraged to thrive and become part of the mainstream of development. The Programme's activities were designed to help Governments to develop the predictable policy framework and more efficient public-sector infrastructure needed to support private-sector development.

75. Questions had been raised about UNDP cooperation in the area of human rights in Latin America. At the request of the Secretary-General, and in cooperation with the Office of the United Nations High Commissioner for Refugees (UNHCR) and the Organization of American States (OAS), UNDP had recently assisted Central American Governments in resettling members of the Nicaraguan resistance and their families in Nicaragua or in third countries. Since 1986, UNDP had been assisting the Government of Colombia in designing and carrying out rural and infrastructure development projects in the geographic areas most affected by the armed conflict with various insurgent groups. The Programme had assisted Paraguay in establishing a centre for human rights and, more recently, had helped the Government of Haiti to promote the widest possible participation in the 1990 elections with a view to attracting development resources from bilateral donors. In each case, UNDP had responded to a specific request and had helped to promote human development through its cooperation; there was nothing in those activities that was incompatible with its mandate.

76. There was widespread consensus that the Programme's comparative advantages were based on its universality, its political and sectoral neutrality, and its role in the United Nations system, which made it uniquely

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well placed for coordinating the joint efforts of many donors. Moreover, the Programme's network of 113 field offices was a significant factor in that comparative advantage. Both the mid-term reviews of country programmes undertaken over the past two years and the assessment of past experience sought to highlight the Programme's comparative advantages in the national context.

77. Several delegations had expressed the hope that the fifth-cycle country programmes would reflect the six new areas established by the Governing Council in its decision 90/34. The Programme had already begun the process of reorientation, which was reflected to some extent in the six country programmes that the Council would shortly be asked to approve. A number of delegations had stressed that UNDP should concentrate on a small number of programme activities and, at the same time, substantially reduce its large number of individual projects. That process had begun, but it would take time and depend on the extent to which a programme approach was found appropriate by the parties involved.

78. Concern had been expressed about the proposed changes in the administrative arrangements for the Division for Women in Development. The implication seemed to be that UNDP was diminishing the importance of women in development in its policies and programmes. Nothing was further from the truth. The Programme was committed to a comprehensive policy to incorporate a gender focus in all its activities. For example, although UNDP had only six women resident representatives, there were currently 22 women deputy resident representatives in the system. More importantly, since 1988 its recruitment policy had favoured a higher intake of female Professionals in the management training programme. The members of the Governing Council could assist the Programme by providing it with qualified women candidates when UNDP carried out recruitment missions.

79. The changes proposed in the administrative arrangements for women in development were different from the arrangements adopted by other organizations and would need to be carefully monitored. The Women in Development Programme would remain a separate and visible unit within the new Human Development Division, and would continue to give high priority to advocacy and gender training, as well as to policy development and personnel issues. Under the new arrangements, the integration of gender concerns in the fifth-cycle programmes would become the responsibility of all staff of the Bureau of Policy and Programmes, who would receive special training to that end. The Assistant Administrator and his deputy would personally direct that effort, with the advice and assistance of the Women in Development Programme. The integration of women in development would also be furthered by the Programme's intention to strengthen national and regional capacity to assist field offices in incorporating those concerns in all aspects of their work.

80. Many delegations had commented on UNDP's progress in implementing Governing Council decision 90/20 on the environment. While the environmental management guidelines were still being perfected in close cooperation with

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Governments, agencies of the United Nations system and others, they were already being applied in all of the Programme's work. Training in the use of the guidelines had begun and was being expanded.

81. UNDP had cooperated with the Joint Inspection Unit (JIU) in the preparation of a report entitled "Assessment of the environmental focus of projects financed by UNDP and other United Nations agencies" (JIU/REP/91/2). The Programme was currently reviewing the specific recommendations and would report on that matter at a later date.

82. The human immune deficiency virus and the acquired immune deficiency syndrome (HIV/AIDS) were becoming an important issue. The Global AIDS Strategy had provided the framework for the Programme's work, and the WHO/UNDP Alliance to Combat AIDS had consigned to each agency its proper sphere of influence, facilitating a coordinated approach. The Programme would continue to cooperate fully with WHO. Under the WHO/UNDP Alliance, the Programme's sphere of expertise and responsibility related to the social and economic dimensions of the epidemic; that complemented the primary focus of WHO on prevention, health care and treatment.

83. UNDP shared the concern expressed by a number of delegations about the impact of the AIDS epidemic on women. It was necessary to bring to the area of women and AIDS the accumulated knowledge of women-in-development issues, in order to ensure the effectiveness of UNDP assistance in saving lives and lessening the burden of care created by the epidemic.

84. There had been a substantial increase in the number of programmes for national execution since the report on the Management Development Programme had been written for the Governing Council. By 1 January 1991, 34 programmes had been approved, of which 8 would be executed by Governments. Of the 41 programmes approved to date, 15 would be executed by Governments, which meant that all 7 programmes approved in 1991 would be Government-executed.

85. Information had been requested about the proportion of women and experts from developing countries taking part in missions set up under the Management Development Programme. Initially, the number of women on such missions had been small. However, the Management Development Programme Support Unit had considerably increased the number of women on its roster, and, where possible, missions would include women consultants. More detailed guidelines on the integration of women-in-development concerns were currently being worked out on the basis of the evaluation of the Management Development Programme and in close cooperation with the Department of Technical Cooperation for Development. The evaluation team had pointed out that the number of developing country experts on Management Development Programme missions should be increased, and efforts were being made to correct the imbalance in that regard.

86. A major part of the expertise involved in Management Development Programme work consisted of locally recruited national experts. Missions to

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Latin America had, from the beginning, included a substantial number of experts from the region. Special efforts must be made to increase the participation of experts from Africa and Asia.

87. A question had been raised about the coordination of the Management Development Programme with other programmes in the same field, such as the African Capacity-Building Initiative and the Municipal Development Programme. UNDP was closely associated with those programmes and, in the case of the African Capacity-Building Initiative, there were good prospects for cooperation and joint financing.

88. UNDP had taken note of the special appeals made by a number of delegations on behalf of Africa and Eastern Europe. The Programme was fully aware of the challenges facing Africa, and was determined to contribute as fully as possible to meeting them. In addition to its assistance to the African National Congress and the Pan Africanist Congress of Azania, UNDP had established an internal task force at headquarters and a high-level focal point in the field to oversee and assist in the development and review of the Programme's strategy for South Africa.

89. Several countries of Eastern and Central Europe had referred to their transition from centrally planned and market-oriented economies, and had given examples of how UNDP had been able to sustain them in that process, especially in the area of privatization. While those countries' needs were, clearly, great, he stressed that UNDP resources for that region should be supplementary and not taken from existing central funds.

90. The Byelorussian Soviet Socialist Republic had drawn attention to the accident at the Chernobyl nuclear power plant and its tragic aftermath. He was sure that members of the Governing Council would come forward with special resources in order to enable UNDP to respond to the Republic's very important request. Albania had requested UNDP to carry out a mission to review that country's emergency needs; that mission would take place later in the month.

91. The United Kingdom had asked a number of questions concerning the Programme's support for tobacco-related projects. Since UNDP did not have a policy on that issue, it welcomed guidance from the Governing Council in that regard.

92. Many delegations had spoken on the subject of resources. While he was aware of the pressures on national aid budgets, he hoped that the Programme would nevertheless succeed in reaching its target of an 8 per cent annual increase.

93. References had been made to the issues of support costs and net contributor status. Support costs were the subject of ongoing negotiations, and he hoped that the Governing Council would be able to resolve the issue at its current session. The provisions of the fourth programming cycle

applicable to countries with a per capita gross national product (GNP) above $3,000 and small island countries with a per capita GNP above $4,200 were contentious for many delegations and difficult to administer. The arrangements for the fifth programming cycle emphasized that a country's change from recipient to donor status should be gradual. Furthermore, the principle of universality of the Programme would be maintained by keeping UNDP field offices in countries with programmes that were large enough to justify a permanent UNDP presence.

94. Denmark had proposed the creation of an international development council to discuss matters relating to UNDP, the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the International Fund for Agricultural Development (IFAD). The possibility of changing the funding arrangements for UNDP to include assessed contributions had also been mentioned. He referred those issues to the Governing Council for consideration.

95. The PRESIDENT summarized the debate on the annual report of the Administrator for 1990 and programme-level activities. He hoped that the suggestions made by participants would guide UNDP in its activities for the next year and the future.

96. If he heard no objection, he would take it that the Governing Council agreed that the Drafting Group should prepare draft decisions on the item.

97. It was so decided.

The meeting rose at 12.55 p.m.